EXHIBIT "B"
Correspondence Submitted to Planning Commission
on
CHANGE OF NO. 3366 (Bill #02-160)
MISCELLANEOUS NO. 02005 (Bill #02-161)

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CHANGE OF ZONE NO. 3366
MISCELLANEOUS NO. 02005
(Cont'd Public Hearing - 9/18/02)

ARNOLD HEIGHTS NEIGHBORHOOD ASSOCIATION

Arnold Heights Neighborhood Association

Serving The Residents Of The Arnold Heights Community

Greg Schwinn
County-City Building
555 So 10th Street
Lincoln, NE 68508

Dear Commissioner Schwinn,

We, the Arnold Heights Neighborhood Association (AHNA) Board of Directors, are writing to you in support of the proposed adoption of a system of infrastructure impact fees as a more balanced approach to infrastructure financing. The AHNA is very concerned about how Lincoln can best balance the public investment necessary to maintain established neighborhoods against the public infrastructure investment required to support and promote new growth and development.

We commend the Mayor's Office and the Infrastructure Financing Study Advisory Committee for looking at this issue in detail. As the resolution below states, the AHNA Board of Directors supports the general recommendations outlined in the Infrastructure Financing Strategy Draft Report as positive steps toward achieving a better public investment balance for Lincoln's future.

"The Arnold Heights Neighborhood Association (AHNA) Board of Directors supports the general concept of instituting an infrastructure financing system designed to recover from developers all, or a substantial portion of, the public costs associated with developing the public infrastructure (water and wastewater, streets, and parks and trails) required to support new development and/or construction in, or immediately adjacent to, the City of Lincoln. Consistent with this objective, the AHNA Board of Directors supports the passage of the ordinances and resolutions necessary to authorize the levying of infrastructure impact fees, in conjunction with the issuance of building permits for development and/or construction, as outlined in the City of Lincoln Infrastructure Financing Strategy, March 19, 2002 Draft Report." --- passed by the AHNA Board of Directors, 6/10/02.

We have informed the mayor and all of the members of the City Council and Planning Commission of our support for these proposals.

Sincerely,

Karen Duffin Sieber

Karen Griffin-Sieber
President

Jeannette Fangmeyer

Jeannette Fangmeyer
Vice-President

Karin Kotschwar
Secretary

Terry Schwimmer

Terry Schwimmer
Treasurer

Jeffy Eckhardt

Jeff Schwebke
Editor

RECEIVED
JUN 13 2002
LINCOLN CITY/LANCASTER COUNTY
PLANNING DEPARTMENT

REALTORS® ASSOCIATION OF LINCOLN

Position on Infrastructure Financing and Impact Fees

1. The ordinance, as drafted on June 12, 2002 must be removed from consideration.

2. Developments already platted and annexation agreements already in place must be exempt from payment of additional development fees.

3. The city must utilize revenue sources in addition to developer fees to raise the necessary capital for public improvements. These include water tap fees, water/sewer rates, bonding, wheel tax and gasoline tax.

4. The use of any development fees collected must be restricted to smaller, more direct benefit areas.

5. With the four conditions above being satisfied, the association lends support to a reasonable development fee structure, phased-in over a period of years that does not render new development economically unfeasible.

Rationale:
The proposed Impact Fee Ordinance asks new developments to pay for the infrastructure needs that have accumulated over the past 15-20 years. The association has additional concerns about the numbers, and assumptions, used for analysis in the Duncan study and feels additional study is warranted. The association desires a policy that ensures that each development pays its fair share, and that this new policy creates a situation where infrastructure improvements will keep pace with new neighborhood development. The association also desires a policy that is sensitive to current landowners whose past investment decisions, for the purchase of developable land, were made under assumptions of existing ordinances and practices.

Adopted April 30, 2002
Revised June 25, 2002

RECEIVED
JUN 26 2002
CITY COUNCIL
OFFICE

3952 Apple
Lincoln, NE
June 24, 2002

Lincoln City Council
Members

Please support Mayor Wesley's new proposal to fund infrastructure growth in new developments by having the developers incorporate the cost into their development expenses.

Thank you
Gladys Loos

IN SUPPORT

ITEM NO. 3.4a&b: CHANGE OF ZONE NO. 3366
MISC. No. 02005
(p.157-Public Hearing-
6/26/02)

ecco
EAST CAMPUS
COMMUNITY
ORGANIZATION

6-25-02

Lincoln / Lancaster County Planning Dept.
555 S. 10th Street #213
Lincoln, NE 68508

RE: Infrastructure Financing / Impact Fees

Dear Planning Commission Members:

At the May 2002 board meeting of the East Campus Community Organization, we voted unanimously to support Mayor Wesley's infrastructure financing strategy proposal to fund infrastructure growth in new developments and provide much needed maintenance to existing areas of Lincoln.

With the projected gap in monies needed to pay for capital improvements a new solution is needed. Change is inevitable, however, it needs to be fair to established areas that have serious infrastructure needs and new developments as Lincoln moves forward. Including a credit mechanism for projects provided by Lincoln Housing Authority, Habitat for Humanity and others is needed to maintain affordable housing for those in need.

We agree that improvements that benefit the whole community should be paid for by the community. However, those improvements that benefit a new development should be paid for by the people in that area. The impact fee structure is an innovative approach that fairly addresses those needs. Take charge and implement the framework for future financing thru impact fees.

Sincerely,

Paul A. Smith

Paul A. Smith – President
East Campus Community Organization
4300 X Street
Lincoln, NE 68503
W 419-7651 / H 464-0179
SMITHX4300@aol.com

CHANGE OF ZONE NO. 3366
MISCELLANEOUS NO. 02005

(Cont'd Public Hearing - 9/18/02)

Lea Barker
<leabarker@mac.com
>

06/27/2002 06:33 PM

To: mayor@ci.lincoln.ne.us, council@ci.lincoln.ne.us, plan@ci.lincoln.ne.us
cc:
Subject: impact fees

Mayor Don Wesely, City Council chair and members, and Planning Commissioners:

I am e-mailing you concerning impact fees. I am extremely concerned about the effect that impact fees would have on our community. At first glance it may make sense to charge the developers and home builders impact fees to make up for what is seen as a cost that they create. However, it would create many problems for our great and growing city.

1) Developers and Home builders may have to pay the fees up front, but we all know that any smart business person will have to pass that cost on to the buyer. When that happens, the citizens are paying this tax every time they purchase a new home. First time home buyers and buyers of affordable housing will be affected the most by this. $3000 or $4000 won't affect the $300,000 home buyer too much, but a person buying a $100,000 home may no longer be able to afford that home! One of the best ways to improve quality of life (and the economy) is home ownership. These impact fees will reduce the numbers of first time home buyers who can buy a home. If less people are buying homes, we need less people to build them, the construction people who no longer have jobs will have less discretionary income to spend in the service sector, the service sector will have to lay off people,..... You get the picture. This also affects the city. If less homes (and apartments) are being built, that is less property taxes that will be generated for the county. And now you'll have to increase the impact fees to cover the diminishing tax roll.
2) Developers already have to pay to put in the streets, sewer, water, lights and trees. The improvements they make (including building the homes and buildings) ensure more property taxes because that piece of dirt is now a $150,000 home. I don't understand why they should have to pay an additional fee, when they are actually improving the city and adding income to the county taxes?
3) If the prices of new homes are raised, appreciation will occur throughout the city making all homes, new or existing, less affordable. Not only will house prices increase, but rents will go up as well. Every citizen who needs housing (which is almost everyone) will be affected adversely by this. Affordable housing for renters as well as buyers will be much less so. This in turn will make Lincoln look less desirable to companies wishing to relocate.

I'm sorry to be so gloomy, but that is how I see impact fees. I understand a solution is needed for more income, however I feel impact fees are a short term solution which will in the long term degrade the city's economy.

Thank you for your time.

Lea Barker
Associate Broker
Hartland Homes

IN SUPPORT

ITEM NO. 3.4a&b: CHANGE OF ZONE NO. 3366
MISCELLANEOUS NO. 02005
(p.157 - Public Hearing - 6/26/02)

NEAR SOUTH NEIGHBORHOOD ASSOCIATION

Lincoln / Lancaster County Planning Commission
555 S. 10th Street
Lincoln, NE 68508

Dear Commissioners,

At the June 10, 2002 meeting of the Near South Neighborhood Association Board of Directors a motion was passed to endorse the concept of instituting an infrastructure financing system designed to recover the capitol costs of new development. The Near South Board supports the adoption of ordinances and regulations necessary to implement the use of impact fees to finance the infrastructure costs associated with arterial streets, water, wastewater, and neighborhood parks and trails.

The new system will be fairer, more predictable, and crucial to bridging our future infrastructure financing gap. The Near South Board urges your adoption of the proposal as outlined in the City of Lincoln Infrastructure Financing Strategy, March 19, 2002 Draft Report.

Sincerely,

Ken Winston Issues Vice-President

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JUN 25 2002
LINCOLN CITY/LANCASTER COUNTY PLANNING DEPARTMENT

POST OFFICE BOX 80143 • LINCOLN, NEBRASKA 68501-0143

CHANGE OF ZONE NO. 3366
MISCELLANEOUS NO. 02005
(Cont'd Public Hearing - 9/18/02)

Michael Cornelius
<michael@ninthorder.com>

06/30/2002 01:32 PM

To: plan@ci.lincoln.ne.us, council@ci.lincoln.ne.us, mayor@ci.lincoln.ne.us
cc: erickson.zink@att.com
Subject: Impact Fees

The Hartley Neighborhood Association (HNA) supports the general concept of instituting an infrastructure financing system designed to recover from developers all, or a substantial portion of, the public costs associated with developing the public infrastructure (water wastewater, roads, and parks and trails) required to support new development and/or construction in, or immediately adjacent to, the City of Lincoln. Consistent with this objective, HNA supports the passage of the ordinances and resolutions necessary to authorize levying of infrastructure impact fees, in conjunction with the issuance of building permits for new development, as outlined in the City of Lincoln Infrastructure Financing Strategy, March 19, 2002 Draft Report.

This resolution was adopted June 20, 2002 by unanimous vote of the Hartley Neighborhood Association Executive Board.

--
Michael D. Cornelius — Co-president
michael@ninthorder.com — Hartley Neighborhood Association

CHANGE OF ZONE NO. 3366
MISCELLANEOUS NO. 02005
(Cont'd Public Hearing - 9/18/02)

RECEIVED
JUL 05 2002
CITY COUNCIL
OFFICE

Lincoln City Council
County-City Building
555 South 10th Street
Lincoln, NE 68508

July 3, 2002

Dear Council Members,

I am writing to request that you support Mayor Wesley's plan to fund infrastruture growth in new developments by having the developers incorporate the costs into their development expenses.

I don't mind my tax dollars being used for improvements that benefit the whole community, but I don't feel we should pay for new developments that generally serve the more wealthy members of this community, who can most afford to pay for these expenses and should, since they will be the ones who benefit from them.

I am concerned that funds needed to maintain the inner city will not be available if developers are allowed to continue to enjoy large profits at the taxpayers expense.

Sincerely,

Joan Creger

Joan Creger
4217 Starr Street
Lincoln, NE. 68503

CHANGE OF ZONE NO. 3366
MISCELLANEOUS NO. 02005

North Bottoms Neighborhood Association

RECEIVED
-9 2002
LINCOLN CITY/LANCASTER COUNTY PLANNING DEPARTMENT

July 8, 2002

Lincoln Lancaster County Planning Dept.
555 S. 10th Street, #213
Lincoln NE 68508

Re: Infrastructure Financing/Impact Fees

Dear Planning Commission Members.

The North Bottoms Neighborhood Board met on July 2nd 2002 and voted in favor of the following resolution concerning the proposed infrastructure financing strategy.

"The North Bottoms Neighborhood Board supports the general concept of instituting an infrastructure financing system designed to recover from the developers all, or a substantial portion of the public cost associated with the developing the public infrastructure (water and wastewater, roads, and parks and trails) required to support the new development and/or construction in, or immediately adjacent to, the City of Lincoln. Consistent with this objective, the North Bottoms Neighborhood Board supports the passage of the ordinances and resolutions necessary to authorize the levying of the infrastructure impact fees, in conjunction with the issuance of building permits for the new development, as outlined in the City of Lincoln Infrastructure Financing Strategy, March 19, 2002 Draft Report."

We look forward to working with you to accomplish this goal.

Sincerely,

Ed Caudill - President
North Bottoms Neighborhood Association
1223 North 9th Street, Unit 223
Lincoln NE 68508

cc: Planning Commission
Mayor Wesely
Kent Morgan
Stephen Henrichsen
Steve Masters

CHANGE OF ZONE NO. 3366
MISCELLANEOUS NO. 02005

H

Hartland
Homes
P.O. Box 22787, Lincoln, NE 68542
Phone 402 477-6668 Fax 402 477-6746

RECEIVED
JUL 11 2002
LINCOLN CITY/LANCASTER COUNTY
PLANNING DEPARTMENT

July 10, 2002

To Whom It May Concern:

I own Hartland Homes, a company that was created and is operated to provide affordable housing in Lincoln. We have built over 1500 homes in Lincoln since created 17 years ago including 150 last year.

Because we are providing affordable homes, we must do business different than other builders. We are the only builder who:

1. Develops all our own lots
2. Builds our volume of homes
3. Has our own sales staff
4. Has homes for sale under $90,000
5. Pays buyers points & closing costs

We must operate this way to lower the home cost and cash at closing requirements so our customers "The Little People" can quit renting and live the "American Dream" of home ownership.

As I hope you can see, we do everything we can to keep the price down for our customers. If we could sell our product for thousands less than we do, we would be doing that now. Impact fees will not be paid by us or any other builders. The homebuyer will have to pay them in the cost of their home.

Impact fees will have a detrimental effect on all development and construction, but the effect on affordable housing will be much greater because:

1. With higher cost and higher payments, many won't qualify for a loan. Many of our customers now pay over 40% of their gross income for their home.
2. All appraisals will be short because there will be no comparables in the market place to support the increased prices. Unless they are able to pay the difference (increase) in cash, they will not be able to buy a home.
3. Fewer homes will be available to buy under the NIFA sale price limit.
4. Because I have to pay my customers' soft costs (points, closing costs, construction interest, and sales commission), to reduce their cash out of pocket, my prices will have to go up about 1 ½ times what the impact fee is, thus $4,000 impact fee will raise the home price $6,000.

Other effects of impact fees will be:

1. Existing home prices will increase because it costs more to replace them.

2. Rents will increase because many won't be able to move out and buy a home and it will cost more to build additional new units. Fewer new ones will be built until rents increase enough to cover the builders additional cost (impact fees)

Impact fees not fair or equitable

1. Why should new homebuyers have to pay a fee for services no homeowner has ever paid before?
2. Why should new homebuyers have to pay for the past sins of others. They did not create the money problems that the city now has nor did they create the deferred street improvements that should have been done years ago. Current homeowners and business owners created the problem.
3. All Lincoln residents have prospered because of the growth of Lincoln in the past. We have very low unemployment and good wages for a Midwestern city. We all have prospered from growth and should pay for it. If the cost was paid by all instead of a few, the cost per Lincoln resident would be very little and certainly be more fair and equitable.

Development does not cost the City $9,000 per house.

1. All interior improvements are paid for by home buyers in lot cost: streets, water, sanitary sewer, storm sewer and detention, street lights, street trees, street signs and sidewalks.
2. In addition home buyers pay for land that the developer is required to give the City for: right of way for streets abutting the development, and trails and park areas inside the development.
3. Property taxes are increased. The farmer pays $2,100.00 of property tax on 80 acres of ground. When it is built out (80 acres @ 3.5 lots per acre = 280 lots), the 280 homes times $120,000.00 average price equals $33,600,000.00 worth of real estate which pay about $705,600.00 (if mill levy is .021) per year and more each year after that because of increased valuation basically every year.
4. Many of these 280 families are new to Lincoln and pay sales taxes on what they buy.
5. New businesses are created to provide services for these people and they pay taxes.

How will impact fees affect the city's already slumping economy and current budget shortfall?

I estimate that impact fees as now proposed will reduce my business by 25-30%. I have heard others in the industry estimate 20%. The development and construction business is estimated to employ 15% of Lincoln's employed. The data from the "Lincoln" insert in the paper last week puts the Lincoln employed at 130,000. If 15% is in construction and development, that is 19,500 workers.

If the industry business is down 20%, then impact fees would lay off 3,900 workers. In addition, all service businesses would have to lay off people because the 3,900 would spend less. The effect on Lincoln's economy and city revenues would be staggering. The city would have less money with impact fees than it has now.

Please consider these facts when discussing impact fees. Lincoln's economy and affordable housing depends on you making the right decision.

Sincerely

Duane L. Hartman
President

cc: Planning Commission
Stephen Henrichsen
Allan Abbott
Steve Masters
Marvin Krout

CHANGE OF ZONE No. 3366
MISCELLANEOUS NO. 02005
(Cont'd Public Hearing - 9/18/02)

REALTOR®

REALTORS® ASSOCIATION OF LINCOLN

RECEIVED
JUL 19 2002
LINCOLN CITY/LANCASTER COUNTY PLANNING DEPARTMENT

July 17, 2002

Mr. Greg Schwinn, Chair
Planning Commission
555 South 10th Street
Lincoln, NE 68508

Dear Greg:

The subject of how our community pays for building and maintaining our roads, water and sewer lines and other City improvements (infrastructure financing) and whether we need a new tax to help us pay for them (impact fees) is a complex and multifaceted issue that is not easy to understand, even for those that have a lot of knowledge about real estate, much less the average home owner and taxpayer. Those that suggest the solution is simply a matter of making "developers" pay their fair share have not fairly analyzed the consequences to our community of such a simple, politically expedient solution. Our community's existing system of infrastructure financing has worked quite well in the past without tearing apart the local economy and social fabric of our community. Decisions and changes we make to the existing system by imposing a new tax on investment in our community will affect – without question – the attractiveness of Lincoln for new businesses, the level of business expansion, the number of jobs available for local workers, the city's future tax revenues, and the cost of housing.

Lincoln's development community, and more specifically the REALTORS® Association of Lincoln, does not oppose a reasonable development fee structure to better fund infrastructure improvements for our community. This increase in funding, however, should be broadly based and not directed solely upon new investment. We believe that everyone in our community benefits from investments in the infrastructure.

Lincoln's REALTORS® are however, opposed to the ordinance that was presented for public hearing before the Planning Commission on June 26, 2002.

It is the opinion of the REALTORS® Association of Lincoln that the City's proposed Impact Fee Ordinance is moving too quickly without measuring the resulting shock to Lincoln's economy. The potential for a significant, negative impact on the city's construction industry, housing prices and economic opportunities is real and must be considered as this proposal moves forward. A slow down in the construction industry will hurt the local job market and slow the growth of the city's tax base. Lack of growth in the tax base, particularly in these challenging economic times, will lead to the loss of even more city jobs, a further reduction in city services, possibly higher property taxes, or more than likely all of the above.

8231 Beechwood Drive • Lincoln, NE 68510-2678 • Phone: 402/441-3620 • Fax: 402/441-3630
www.LincolnREALTORS.com

The City's first-draft of the ordinance was presented to the public on March 19, 2002. The current draft of the ordinance did not become available until June 12. Fortunately, and undoubtedly due in part to the concerns of our Association and the development community, the proposal has been delayed for further public hearing until September 18. We are hopeful the discussions over the next two months will be productive and result in a proposal that we can support.

The public discussion to date is superficially appealing to the average Lincoln resident primarily due to the fact that they have not yet had an opportunity to hear both sides of the issue. As pitched to date by the City staff and reported in the press, the proposal sounds great... the question asked "Do you want to pay more taxes, or would you rather developers pay for infrastructure costs?" makes for an easy decision, right?

Further, many supporters of older neighborhoods, and leaders of key neighborhood associations, have been actively recruited by the City to support the ordinance and given assurances by the city administration that this impact fee ordinance is the answer to infrastructure and maintenance problems faced by older neighborhoods. Representatives of city government have been vigorously working to convince Lincoln residents that new development in growing neighborhoods is robbing existing neighborhoods of funds that would otherwise be available for them. The facts simply do not support these claims. City staff never bothers to mention to these people that the impact fee proposal has the potential of costing them – or their neighbor – their job! Nor do they tell them that it would make home ownership unattainable for many young, working families in the community.

If the average citizen takes a closer look at the ordinance proposed, they will realize this has the potential of causing a recession in Lincoln's economy. If there is a decline in Lincoln's construction industry, the negative ripple effect will cause jobs to be lost. As soon as jobs are lost, confidence in the local economy diminishes, there is less spending and the negative spiral continues.

Think, for a moment, about the value of just <u>one new home</u> to the Lincoln economy. Purchases are made for concrete, lumber, drywall, cabinetry, floor coverings, fixtures and more. Laborers earn a paycheck and purchase local goods and services, which in turn fuels more spending in the local economy, and a positive cycle continues. Contractors earn their living from each new home and, in turn, they buy trucks, tools and the like. Local retailers benefit from selling refrigerators, furniture and landscaping items to new homeowners. All of this increases city sales tax revenues, plus a new $200,000 home pays about $4,000 per year in property taxes – at an inflation rate of three percent, that's $191,600 in taxes over the next 30 years to help fund schools and city services. And that's just one house!

REALTORS® believe it is a myth to say that developers need to start paying for the infrastructure; they have been doing it for years. As you know, developers pay for all residential street construction, all sidewalks, all street trees, all street lighting, and all water and sewer lines within a development. Frequently land is also donated for parks and trails, or fees are paid to support their construction outside the development. On top of these costs, additional exactions are, more often than not paid to extend city water and sewer service to the development and to construct arterial streets surrounding the development.

For example, Lincoln developers are currently paying for sewer and water service to be extended to the edge of their new development, water and sewer lines that will eventually serve hundreds of homes well beyond the limits of the proposed development. Substantial portions of the cost of the new street construction at 27th & Pine Lake Rd., 70th & Pioneers, 84th & Hwy. 2, and 14th & Yankee Hill Rd. (to name a few) are being paid for by developers, even though many Lincoln residents other than those living in these new developments will be driving on these new roads. Much of the current street construction currently underway was paid for by nearby developments.

The dollar amount being used by the City as its projected future infrastructure costs are based on the Duncan study, the sole purpose of which was to project (in a future-scenario, and not by today's standards) the highest possible financial cost that could be imposed upon new development. The infrastructure costs estimated in the study were not based on any actual needs or projections but rather upon City staff estimates and guesses, producing a result that dramatically skews the costs and the projected financing gap dramatically.

There is some consensus that Lincoln is behind in some of its infrastructure needs. All residents of Lincoln should pay their fair share to catch up. Once deferred infrastructure improvements are funded, a system of reasonable development fees should then be established to help the City pay for the infrastructure necessary to facilitate new development and help grow the tax base. Impact fees should not be used to unfairly tax new homeowners for the collective sins of the city's past.

The Impact Fee Ordinance proposed is unfair to owners of lots that are already platted. For example, in many subdivisions under development, a property owner building before the ordinance goes into effect will pay no impact fee. A next-door neighbor, who paid the same lot price and starts construction after the effective date of the ordinance will be unfairly assessed an impact fee if the city determines the development (which is already approved by the city) did not pay an amount as high as the new (yet to be) proposed fee structure. This issue – and its negative impact – has not been disclosed to individual lot owners in the community. The city has a moral obligation to protect the private property rights of these individuals.

Similarly, annexation agreements with developers already in place need to be protected. Private land developers have made investments in the community based on these good-faith agreements with the city. For the city to renege on these agreements is unconscionable.

Most of the public focus to this point has been on new home construction, with little emphasis on other types of property development that will suffer a major setback if the proposed Impact Fee Ordinance becomes law. The commercial development market in Lincoln during the past year has been slow. Adding substantial impact fees to the already "soft" market will bring multi-family, office, industrial and retail construction to a halt. How will this help the city in the long-term?

The lifeblood of Lincoln's economy is its ability to attract and retain new businesses. If the average worker cannot afford the average home in a community, the business will look elsewhere. Likewise, if business owners looking for industrial, retail or office space, believe they cannot earn an acceptable return on their investment because of large impact fee expenses, they too, will go elsewhere and the entire city of Lincoln will pay the price.

The proposed Impact Fee Ordinance is already having a negative economic impact on the community. A REALTOR® member reported this past month that a potentially large office space customer (150,000 square feet) is no longer looking at Lincoln for their new location, after citing the potentially large dollar amount that would be assessed as impact fees at the time the building permit was issued. Representatives of the business had expressed intent to build a new office building and provide up to 200 local jobs, but they are now looking elsewhere, due to the impact fee ordinance being proposed. The negative economic cycle has already begun.

The drafters of the proposed Impact Fee Ordinance recognize this negative impact. To remedy the situation, the proposed ordinance contains a provision that the impact fee charges against development can be subsidized by using other city funds. Therefore, another development hurdle is put in place for business owners looking at Lincoln as a possible home. This will also place additional pressure on the city budget and will make less money available for existing neighborhoods and vital city services. This is a major conflict within the proposed process.

The proposed Impact Fee Ordinance will also negatively-impact the future of multi-family developments in Lincoln. The multi-family impact fee discussed in conjunction with the proposed ordinance exceeds the land cost that private developers are paying today. The proposed impact fee will make future projects economically unfeasible and will encourage private developers to invest in communities other than Lincoln.

Looking at the rental housing market, the 2002 REALTORS® Association of Lincoln Multi-Family Rental Property survey showed a tightening supply of units available for rent on April 1. A drop in new, multi-family development will result in an even tighter supply, and thus even higher monthly rents. Lincoln can ill afford to have a reduction in multi-family development.

The proposed Impact Fee Ordinance will force those that otherwise would live in and invest in Lincoln to look outside of its boundaries and thereby limit growth in the city's tax base. The proposal provides more incentive for developers to look at land outside of Lincoln. In Lincoln, consumers will get less for their money when compared to smaller, neighboring communities like Bennet, Waverly, Seward and Ceresco. Commuters to the city will still utilize the city's infrastructure – streets, parks and libraries – but will pay nothing in property tax.

Over the years, one of Lincoln's strengths is its ability to remain a community – one community with many neighborhoods. The proposed Impact Fee Ordinance is already dividing Lincoln into opposing groups. Once impact fees are levied against a new homeowner in a developing neighborhood, there will be motivation on their part to oppose improvements in other parts of the city. If a new homeowner has paid $9,000 in fees for their home (and it has new streets, sidewalks, water and sewer lines, and buried electrical lines), why would they be willing to pay for the repair and replacement of aging infrastructure in the heart of the City? Today, it costs three- to four-times as much to replace old sewer lines as it does to install new ones. Is it fair, and will it sell politically, that new neighborhoods pay for all of theirs as well as the replacement of the older infrastructure too?

The development and business community – including the REALTORS® Association of Lincoln – believe the proposed Impact Fee Ordinance will cause a decline in local construction. With that in mind, can city government guarantee this ordinance will solve the shortfall of infrastructure funding? Will the city's administration guarantee Lincoln will catch up in its infrastructure needs?

The proposed Impact Fee Ordinance is unfair in how it allows money to be assessed to the homeowners in one development to be spent in a different development miles away. As written, for example, the ordinance allows money to be taken from homeowners south and east of 27th Street and Pine Lake Rd. and be spent by the city on improvements for Old Cheney Rd. east of 84th Street. Citizens paying development fees need to be assured that the money being paid by them will actually be used to their benefit. Benefit-areas (where impact fee money is spent) need to be more narrowly defined in order to be equitable.

The proposed Impact Fee Ordinance will hurt those who can afford housing the least. The impact fee proposed is equal on all single-family housing units (based on size of water meter). The owner of a new, $398,000 home will pay the exact same impact fee as the owner of a new, $98,000 townhouse. Certainly, the negative financial impact on the "more affordable" home is greater.

We believe the impact on Lincoln Housing Authority programs will be extremely negative, and the drafters of the proposed Impact Fee Ordinance also recognize this. In an attempt to remedy the situation, the proposed ordinance contains a provision for the impact fee charges against low-income families (those families at or below 60 percent of median income, currently $37,560 for a family of 4) to be paid from public funds — namely, the wheel tax. Wheel tax, as you know, is used for the development of arterial streets, which is what the Impact Fee Ordinance was designed to supplement. Hopefully, you can see the inefficiency with this process.

The proposed impact fee ordinance will also cause the city administration to become larger. Under the provisions of the proposed Impact Fee Ordinance, an additional two percent tax on all impact fees will be collected for the city administration to fund the added expense of administering the ordinance. City government will get larger as a result of the ordinance, and although the city tax rate is not affected, more local funds will be spent on city governement.

Having made the points outlined above, there are some positive results that can result. Properly drafted, a development fee structure will provide the private developer investing in the community with some advantages that are not present in Lincoln's current system of land development. First, a new system of predictable fees can eliminate infrastructure cost questions for developers. It can also add fairness to the process when comparing one development to the next. In addition, a good process has the potential of reducing the amount of time necessary for a developer to negotiate his or her way through city hall.

Currently, a private developer faces an uncertain and often unfair process that moves very slowly. Developers typically spend 6 to 18 months negotiating with city departments on the amount of infrastructure costs to pay for each development. A faster, orderly process would be good for private developers, tax-paying citizens and consumers alike.

In summary, the REALTORS® Association of Lincoln adopted the following position, which was presented to the Planning Commission at the public hearing on June 26, 2002:

1. The ordinance, as proposed on June 12, 2002 must be removed from consideration.

2. Developments already platted and annexation agreements already in place must be exempt from payment of additional development fees.

3. The city must utilize revenue sources in addition to developer fees to raise the necessary capital for public improvements. These include water tap fees, water and sewer rates, bonding, wheel tax and gasoline tax.

4. The use of any development fees collected must be restricted to smaller, direct-benefit areas.

5. With the four conditions above being satisfied, the association lends support to a reasonable development fee structure, phased-in over a period of years that does not render new development economically unfeasible.

The rationale for the REALTORS® Association of Lincoln adopting these positions is that the proposed Impact Fee Ordinance asks new developments to pay for the infrastructure needs that have accumulated over the past 15 to 20 years. The REALTORS® Association of Lincoln has additional concerns about the numbers, and assumptions, used for analysis in the Duncan study and feels additional study is warranted. The REALTORS® Association of Lincoln desires a policy that ensures that each development pays its fair share, and that this new policy creates a situation where infrastructure improvements can, and will, keep pace with new neighborhood development. REALTORS® also desire a policy that is sensitive to the property rights of current landowners whose past investment decisions were made under assumptions of existing ordinances and practices.

Thank you for your time.

Respectfully yours,

Douglas H. Rotthaus
Executive Vice President
REALTORS® Association of Lincoln

c: Planning Commission Members
Lincoln City Council
Mayor Don Wesely

cc: Planning Commission
Marvin Krout, Stephen Henrichsen
Allan Abbott, Steve Masters

CHANGE OF ZONE NO. 3366
MISCELLANEOUS NO. 02005
(cont'd Public Hearing - 9/18/02)

From: Russell Miller
341 S. 52 St.
Lincoln, Nebraska 68510

20 July 2002

To: City County Planning Commission

Subject: June 26, 2002 Impact fee testimony

Dear Commission Members,

The impact fee testimony that was given by the realtors and/or developers was interesting both for what was said and what was not said.

WHAT WAS SAID:

Basically, they said "do not break my rice bowl," an oriental saying meaning "do not ruin a person's source of livelihood."

WHAT WAS NOT SAID:

1. They did NOT say they will help hold down infrastructure costs by building in northeast and north Lincoln which is considerably closer to city water and sewer plants; i.e., it will not cost as much to bring the trunk lines to north Lincoln as to 27th and Pine Lake Road.

2. They did NOT say that they would make their new lots a little smaller so that there would be more buyers to share in the development costs. At the recent comprehensive plan hearing , this same group was saying their customers were demanding larger lots. Demanding (wanting) and affording are two different things but demands are not a reason that other persons have to subsidize their wants.

3. They did NOT say they would put their developments close to 100% federal and sate highways so that the other government entities would pay for the street widening and not just Lincoln taxpayers. Example is Omaha and their interstate projects.

4. They did NOT say that their desires will shift a greater tax and service fee burden on persons who will never benefit from these taxes; i.e. it will break my rice bowl but it will enlarge theirs. Persons on fixed incomes may lose their homes because of the additional taxes and/or service fees needed to subsidize the new developments.

5. One developer testified that since there has not been a sewer/water fee increase for several years, that source of revenue should be tapped, implying that that money source should be used instead of impact fees. I am agreeable to a rate increase if the actual cost of service has increased but not to subsidize trunk lines to housing developments at 27th and Pine Lake Rd. I will remind everyone that sewer lines follow the slope of the land and it is not a straight line down 27th street to the treatment plant at 25th and Cornhusker Highway. (It is more of a circular route.)

WHAT SHOULD BE DONE

1. IMMEDIATELY impose the entire $9,000 impact fee on residential development.

2. Completely waive the impact fees on industrial development for the following reasons:

a. Without jobs, there will be no demand for housing of any type because people must go where employment is and that employment must pay a wage that permits house buying.

b. Industry pays taxes twice: once for property tax and once for equipment tax (it is called personal property tax but it is levied on all equipment).

c. Industry has a choice as to where they can locate and it may be inconvenient to move but if the money is right, it certainly can be done.

EXAMPLES.

1. Cushman is an example of a national company making decisions based on their national interests.

2. TMCO (located at 5th & J St. and locally owned) recently built a 64,0000 sq. ft. manufacturing/warehouse . When I told one of the owners about the impact fees, his response was "no problem, we will just move." This company is a home grown employment center that sells world wide. Twenty years ago, they were occupying about 5,000 sq. ft. Now they are over 100,000 sq. ft. My point is that if these impact fees existed back then, they <u>might</u> have located in another city. That would have definitely decreased the demand for housing because of fewer jobs.

3. Fairbury is an example of a city down sizing because of no jobs, not because it is bad place to live .

My opinion is that jobs are what provides the money to pay taxes, sales taxes, etc. Protect the jobs and make the job holders pay for their amenities.

Thank you,

Russell Miller

Russell Miller
phone 488-2568

copy to: Mayor Wesely
Lincoln City Council

cc: *Mayor Wesely*
Planning Commission
Marvin Krout, Stephen Henrichsen
Allan Abbott, Steve Masters

CHANGE OF ZONE NO. 3366
MISCELLANEOUS NO. 02005
(Cont'd Public Hearing - 9/18/02)

"Corrie Kielty"
<ckielty@neb.rr.com>
07/26/2002 12:41 PM

To: <plan@ci.lincoln.ne.us>
cc:
Subject: supportive resolution

Following is a resolution passed by our neighborhood association in support of levying impact fees for new development in the city of Lincoln. Would you please provide this to the Planning Commissioners?
Thank you - Corrie Kielty, Secretary, Hawley Area Neighborhood Assocation, 637 North 24th Street, Lincoln NE 68503

Resolution

<?xml:namespace prefix = o ns = "urn:schemas-microsoft-com:office:office" />

"The Hawley Area Neighborhood Association supports the general concept of instituting an infrastructure financing system designed to recover from developers all, or a substantial portion of, the public costs associated with developing the public infrastructure (water and wastewater, roads, and parks and trails) required to support new development and/or construction in or immediately adjacent to, the City of Lincoln. Consistent with this objective, Hawley Area Neighborhood Association supports the passage of the ordinances and resolutions necessary to authorize the levying of infrastructure impact fees, in conjunction with the issuance of building permits for new development, as outlined in the City of Lincoln Infrastructure Financing Strategy, March 19 2002 Draft Report."

cc: *Mayor Wesely*
Planning Commission
Marvin Krout, Stephen Henrichsen
Allan Abbott, Steve Masters

CHANGE OF ZONE NO. 3366
MISCELLANEOUS NO. 02005
(Cont'd Public Hearing - 9/18/02)

Remalone36@aol.com
07/28/2002 03:13 PM

To: plan@ci.lincoln.ne.us
cc:
Subject: (no subject)

CLINTON NEIGHBORHOOD ORGANIZATION
Renee Malone
1408 N 26th St
Lincoln, Ne 68503
402-438-2777
Remalone36@aol.com

July 28, 2002

Dear Planning Commission member,
I am writing you in behalf of the Clinton Neighborhood Organization. We fully support the City's proposed Infrastructure Financing Plan. A resolution was passed at our general meeting in May to support this . We believe that it is in the City's best interests to go forth with this plan to provide a more balanced approach to infrastructure financing. We feel that this is the only fair way to develop the outer edges of the city and still be able to maintain the infrastructure of the existing older neighborhoods.

We know many developers, builders and realtors may not be in support of this proposal, we understand their concerns. Yet, we must look at the concerns of all who will be involved in this. One of our main concerns is focused on our fixed income residents, such as retired elderly home owners. Without this Financing plan, those who are on fixed incomes may not be able to handle the added burden of increased water rates, and taxes that will occur if this does not pass. We must protect our older neighborhoods and the residents that reside here. We the citizens of Lincoln have been paying for this outside development for years, through our taxes, etc. We are very concerned about the financial shortfall that the city faces and will continue to face if this is not passed. It's time that the ones who are benefiting most from this pay t! heir "Fair Share". We understand that this proposed plan is looking at phasing in the Impact fees over a period of years. We understand this reasoning, yet let us not forget the longer the period of phase in, the more the City will still be facing financial shortfalls. In 10 years we are looking at a shortfall of over $280 million . The phase in period should not be over 3 years and "All Capital costs" be recovered and continue to be recovered by that time.
Once again let me stress the importance of this Infrastructure Plan, and how much the residents of the Clinton Neighborhood and other existing neighborhood support this. Currently most of the City's existing neighborhood leaders along with residents from their respective neighborhoods have been meeting together in a joint effort to form a united front to support these Impact Fees. We believe the residents of Lincoln should be heard as loud as the ones who are lobbying against this.

Thank you for your time

Renee Malone
President of the Clinton Neighborhood Organization

cc: Planning Commission
Mayor Wesely
Marvin Krout, Stephen Henrichsen
Allan Abbott, Steve Masters

CHANGE OF ZONE NO. 3366
MISCELLANEOUS NO. 02005
(cont'd Public Hearing: 9/18/02)

Landon's Neighborhood Association

GREG SCHWINN, Chair
City-County Building
555 So. 10th Street
Lincoln, NE 68508

Dear Commissioner Schwinn,

We the Landon's Neighborhood Association of 308 households are writing you to inform you our board voted in support of the decision to implement impact/infrastructure fees to help pay for Lincoln's growth. This action is a necessity for the maintenance of current neighborhoods.

We believe that development should pay their fair share of the costs of Lincoln's growth. A balanced system is needed to finance our projected infrastructure development and maintenance costs.

The Landon's Neighborhood Association supports the adoption of ordinances and regulations necessary to implement the use of impact fees to finance the infrastructure costs associated with arterial streets, wastewater, and neighborhood parks and trails. We urge your implementation of the proposal as outlined in the city of Lincoln Infrastructure Financing Strategy, March 19th, 2002 Draft Report.

Sincerely,

John R. Brown II
President LNA

RECEIVED
29 2002
LINCOLN CITY/LANCASTER COUNTY
PLANNING DEPARTMENT

cc: Mayor Wesely
Allan Abbott, Steve Masters
Marvin Krout, Stephen Henrichsen

CHANGE OF ZONE NO. 3366
MISC. NO. 02005
(Cont'd Public Hearing - 9/18/02)

Date: August 8 (An even watering day so I have my sprinkler going!!!!)

To: Lincoln/Lancaster County Planning Commission
Greg Schwinn, Chair
W. Cecil Steward, Vice-Chair
Steve Duval
Gerry Krieser
Patte Newman
Tommy Taylor
Jon Carlson
Mary F. Bills-Strand
Roger Larson

RECEIVED
AUG - 7 2002
LINCOLN CITY/LANCASTER COUNTY PLANNING DEPARTMENT

From: Ed Patterson
As an Individual Citizen of Lincoln

Re: Impact Fees

I am writing this letter on Impact Fees to you as an individual, despite having been over the years president of the Malone Neighborhood Association several times, and having been a founding participant in the loose knit movement called One Community Alliance. Both of these groups have members who are either active participants in the Democratic Party, or Republican Party, or have positions of management responsibility in firms sensitive to public relations here in Lincoln, or at the state level. As such it would be asking a lot for them to come out publicly in support of a facts based impact fee structure, as opposed to a compromise impact fee covering in the ballpark (no pun intended) of 10% of the net financial impact of new development.

The ballpark, since it was done by the same City Hall Administration now proposing to manage negotiation of the Impact Fee Structure, might be a good example of how the cost of impact could be done more responsibly in the future. One Community Alliance related individuals have pointed out repeatedly in public meetings for approximately a decade that Lincoln needs a Storm Drainage Run Off neutral, and Water Way Net Rise neutral development policy covering the entire Salt Creek Water Shed. To the credit of technical troops in City Hall such a policy was researched, formulated and brought forward for approval by government several years ago. Mayor Wesely was publicly in support of this policy until it was discovered that the University of Nebraska's proposed ballpark development, would violate the policy in two ways:

- Restrict the flood stage flow cross section of Salt Creek, that is, result in significant net rise due to blockage of storm flow at flood stage.
- Reduce temporary water retention due to fill brought in for the parking lot and other structures.

This did not mean that the ball field could not be built as proposed, but rather that it would cost more than originally envisioned, once the added costs of compensatory flow channel and water storage excavation were accounted for.

Now, these costs actually will be paid. There is no free lunch. It is just that, rather than the University and allied private sector interests in the development paying the cost, the businesses and homeowners within about half a mile of the ball park will pay higher flood insurance, and incur a deduction in property value, in perpetuity.

We have for several decades described the 'Fair Share' principal in public meetings as follows:

- Neighborhoods should get their per capita fair share of capital improvement and maintenance dollars, support for local schools, police, fire protection, and so on.

  So for example a neighborhood without the campaign contributions wherewithal of suburban development dollars, should not be asked to give up its schools, live with potholes in its streets, while being taxed at (pre Ed Jacksha) roughly 3% per year of the market value of its property, only to watch this money perennially dumped into development 10 miles or more from the roots of City Services. To get out of the realm of expedient compromise, and into the realm of fact, by comparison, the total tax levee in Denver is less than half of one percent, and for example, among other taxes, gasoline taxes are less there too.

- Neighborhoods should be structured to support their fair share, and no more than their fair share of the financial, and social assistance burden of maintaining the city.

  So for example established neighborhoods should not be made to accept all the group homes, public housing, and street people that the contributions driven political process can sweep out of an adjoining area of the city.

Around 1990, I was exposed personally to the fact that not only can insider interests in Lincoln politics redirect tax dollars for personal use, but they can also reach out and take large tracts of land for personal or corporate use, essentially without paying for it. A fall out of that personal experience was that I was forced to initiate a survey of essentially the entire contiguous 48 states for replacement sites for what had been taken from me.

In the early 1990's I found that for example Golden, Colorado had a $6,000 per unit 'tap fee' for hooking new residential units onto city services, and Boulder had both substantial tap fees and a 60 unit per year cap on total new apartment construction in the city limits. Both Boulder and Golden have since moved to a near total ban on new apartment units, and the tap fees for new residential units are well over $10,000. Both of these cities have esthetic fresh snow melt creeks (not to be confused with Antelope 'Creek,' which is actually a usually empty, drainage ditch) running through the middle of town. But to keep from pumping these dry, they instead pump water from points many miles away in mountain reservoirs, and these too now have reached their limits, hence a reality, as opposed to politically, based limit on the form that 'growth' can take in these cities.

By contrast in Lincoln I found at the time that fringe developers, turning options on cornfields into gold through their connections to the City Council, were paying essentially no impact fees. Having been a 'Fair Share' advocate for some time, I began to ask people here why this was the case. I was told among other things that we get our water from an essentially infinite source, the Platte River, and that was underpinned by an even more inexhaustible source, the Ogallala Aquifer.

I have been telling these people for some time now that in North Texas for example cotton farmers have 'mined' the Ogallala Aquifer down to the point where the energy required to bring water to the surface now costs more than the incremental revenue that can be made from irrigating the crop. And how can the Platte be considered an essentially infinite source when Lincoln pumps daily during the summer an amount comparable to 100% of the stream flow past the Ashland well fields.

As we are considering the 'no fees' addition of several thousand new lawns a year irrigated with drinking water, lets consider several other factors not subject to expedient compromise.

- The City of Omaha apparently does not think that being on the Missouri River makes it the beneficiary of infinite drinking water supplies either. In fact they are proposing to build a new large well field facility on the Platte, competing with Lincoln's Ashland Well Field for EPA and endangered species limited total water budget. Why would Omaha want to do that, when they are right next to what some propose as a fall back option for water supplies in the future of Lincoln? Could it be that waste discharge into the Missouri impacts the cost of its use as drinking water? Could it be that one significant radiation spill at a nuclear power facility upstream could leave the City of Omaha not only temporarily with no source of water, but possibly with a permanently unusable City Water system if it became significantly contaminated with radioactive material from the spill?
- How about upstream from us. Do we expect Freemont, Columbus, Grand Island, North Platte, Ogallala, Scottsbluff, Sterling, Brush, Fort Morgan, or Denver and the exploding 'Front Range' to stand still in their consumption of water that annually recharges the aquifer around the Ashland Well fields?
- Has anyone in Lincoln factored in the impact of denuding of forestation over essentially the entire mountain source watershed of the South Platte River in this summer's fires? What will happen is that water retention by the forest cover will be gone for most of the next decade. With nothing to detain the runoff from there to Lincoln, we well have lots of flow when we don't need it, and it will have all gone down the Missouri to the Gulf of Mexico when we do.

Bottom line: Charging fringe developers, ten miles out, the true incremental system cost for water, sewer, electric power, roads, police, fire, ambulance, schools etc., is actually being damnably generous when the reality is that drinking water put on their golf courses and lawns may leave century old homes at the core of Lincoln taking showers on alternate days.

A Bemused Observer,

Ed Patterson

(Cont'd Public Hearing: 9/18/02) CEANGE OF ZONE NO. 3366
MISCELLANEOUS NO. 02005

Lincoln Independent Business Association

P.O. Box 5784 • 709 No. 48th St. • Lincoln, NE 68505
Phone: 466-3419 • Fax: 466-7926 • www.liba.org

cc: Planning Commission
Allan Abbott, Steve Masters
Marvin Krout, Stephen Henrichsei
Mayor Wesely

Impact Fee Resolution
August 8, 2002

The LIBA Board of Directors unanimously voted to oppose Impact Fees as proposed. LIBA does not believe that all financing alternatives have been explored. For example, Sewer and Water fees have not been increased for the past decade. It is LIBA's understanding that the Sewer and Water funds carry excess balances that could be used to defray infrastructure costs for the city. LIBA believes that it is appropriate to use bonding for future city growth. Lincoln Electric System provides a great example of how this is done.

LIBA believes that all the monies collected from developers have not been accounted for. Too often designated funds are appropriated for unrelated obligations and LIBA would like to see more direct accountability of all collected funds. Past management of resources has created the current deficiency.

As proposed, Impact Fees are an uncontrolled tax levy that can be increased or decreased by future administrations without citizen oversight. Lincoln citizens do not want their government to be tempted by this potential corruption.

cc: Planning Commission
Mayor Wesely
Marvin Krout, Stephen Henrichsen
Allan Abbott, Steve Masters

CHANGE OF ZONE NO. 3366
MISCELLANEOUS NO. 02005
(Cont'd Public Hearing - 9/18/02)

August 12, 2002

Lincoln/Lancaster County Planning Commission
555 S 10th St
Lincoln, NE 68508

Dear Commissioners,

At the August 12, 2002 meeting of the Friends of Wilderness Park Board of Directors, a motion was passed to endorse the concept of instituting an infrastructure financing system designed to recover the capitol costs of new development. The Friends of Wilderness Park Board supports the adoption of ordinances and regulations necessary to implement the use of impact fees to finance the infrastructure costs associated with arterial streets, water, wastewater, and neighborhood parks and trails.

The system will be fairer, more predictable, and crucial to bridging our future infrastructure financing gap. The Friends of Wilderness Park board urges your adoption of the proposal as outlined in the City of Lincoln Infrastructure Financing Strategy, March 19, 2002 Draft Report.

Sincerely,

Mary Roseberry-Brown

Mary Roseberry-Brown
President, Friends of Wilderness Park

RECEIVED
AUG 19 2002
LINCOLN CITY/LANCASTER COUNTY PLANNING DEPARTMENT

CZ.3366
MISC.02005

DO NOT REPLY to this- InterLinc <none@ci.lincoln.ne.us>

08/26/02 07:26 PM

To: Jon Camp <council@ci.lincoln.ne.us>
cc:
Subject: InterLinc: Council Feedback

InterLinc: City Council Feedback for
Jon Camp

Name: Mr. & Mrs. Al Micek
Address: 1101 Mulder Dr
City: Lincoln, NE 68510

Phone: 402-488-3633
Fax:
Email: Sticknight@AOL.com

Comment or Question:
Jon, when the proposal for Impact Fees for developers comes up, we hope you will support it. Actually we think the initial $2500 fee for a single family dwelling is far too low. It is a start but it should be higher. It is time the developers carry their share of the expenses and we are at a loss why this wasn't done years ago. All of my neighbors that we have talked to agree with the proposal. thank you for your help.

CZ.3366
MISC.02005

Fair Share Alliance
Positions on Infrastructure Financing

RECEIVED
AUG 27 2002
CITY COUNCIL
OFFICE

- We believe that Impact Fees are necessary to pay for the costs of Lincoln's growth.
- We believe that the City's current system of financing infrastructure development and maintenance has not worked in the recent past and will not work in the future. Lincoln faces a $290 million budget gap over the next 10 years in infrastructure financing.
- We believe that all Lincoln citizens should Pay Their Fair Share of the costs of Lincoln's growth. A balanced system is needed to finance our projected infrastructure development and maintenance costs. The following principles should be included:
  - It should be reasonably predictable in terms of costs, revenue and delivery of services.
  - It should be fair and equitable.
  - It should be balanced in a manner such that those who receive the most benefit should pay the most costs.
  - It should be phased in to mitigate economic disruption.
- We believe in strengthening downtown and existing neighborhood business districts, and protecting single-family low-income housing.

To ensure Lincoln's healthy future, the Fair Share Alliance endorses the following:

1. Impact Fees must be implemented to help pay for the costs of Lincoln's growth.
2. Impact Fees should reach 100% of the capital costs of growth within 3-5 years for water, wastewater, streets, and neighborhood parks and trails. As part of a phased-in approach, the initial impact fee should be no less than that required to generate the aggregate offsite infrastructure financing provided by the current system.
3. Developments already platted and annexation agreements already in place should be included in the impact fee structure. Consideration and credit should be given to offsite infrastructure costs already negotiated and paid.
4. Downtown should be considered for exemption as a specific Redevelopment Area.
5. Existing neighborhood business districts should be examined case-by-case as candidates for exemption as Redevelopment Areas.
6. Funding mechanisms must be created to minimize the impact of any changes on single-family low-income housing.

These are positions of the Fair Share Alliance.
We are willing and eager to enter into a dialogue about how they can be realized.

Fair Share Alliance Response to the August 15, 2002 Infrastructure Financing Proposal From the Mayor's Office

The Fair Share Alliance is aware that achieving changes in public policy frequently involve making compromises and taking incremental steps and, therefore, the Alliance will not oppose the draft compromise on infrastructure financing proposed by the Mayor's Office on August 15, 2002. However, in its on-going efforts to seek an overall fair and balanced approach to financing Lincoln's infrastructure needs, the Fair Share Alliance will continue to advocate for the positions it publicly announced on August 8, 2002 (see attachment). *[The bracketed, italicized comments are intended to clarify the Alliance's understanding of the intent of specific points and in some cases to offer Fair Share Alliance proposals for strengthening those points.]*

<u>Mayor's Discussion DRAFT</u>
Updated August 15, 2002

Fall 2002

- 7% rate increase in water rates for January 2003 and maximize revenue bonds for utilities *[A one-time 7% increase in water rates to take effect on January 2003. Efforts will be made to maximize revenue bonding for water and sewer based on current fees and this one-time increase]*

- **Impact Fee schedule will begin at $2,500 and will be phased in over five years to $4,500,** with annual inflation for construction costs added
[The Fair Share Alliance supports impact fees that are phased in over a 3-5 year period to ultimately cover 100% of the capital costs of growth for the proposed impact categories. If an interim compromise figure is to be less than 100%, the phase-in period must be no longer than three (3) years. To assist the citizens of Lincoln in their on-going efforts to develop a balanced, fair and sustainable system of infrastructure financing, the enabling ordinance on impact fees should include a call for the annual updates of the Capital Improvement Plan to include a section that provides the aggregate costs for new infrastructure development and a summary of the revenue sources (impact fees, community-wide fees and taxes, state and federal funds, and other) used to finance that new infrastructure development and their relative contributions. In the next to last year of the initial impact fee phase-in, a city-funded study should be undertaken to assess the current system of infrastructure financing and make recommendations for improvements as necessary.]

- **Implementation of impact fees would be delayed until June 1, 2003.**

- **Category exemption for annexation agreements** approved before June 1, 2002.

- Exclude **low income housing** buyers and renters (60% or less of median income) from impact fees
[Because of its concerned about the potential long-term, unanticipated implications of the exclusion of developments for "low-income renters" from impact fees, the Fair Share Alliance would like to strike "renters" from this proposed exclusion.]

- Under discussion: exclude or minimize **Downtown and Antelope Valley** from arterial street impact fees and from use of arterial street impact fee revenues in these areas
  [Representatives of affected neighborhoods must be included in any discussion of exclusion boundaries.]

Future Steps

- City and development community work together on a state legislation to reallocate state gas tax funding

- City and development community work together on state legislation to revision stormwater statutes

- **Infrastructure Business Plan**: start a "working group" that will make recommendations to the City by June 2003
  [To be effective, any such "working group" must have representation from neighborhood groups equal to that from the development community. Without equal representation from neighborhood groups, any resultant plan would not have the support from the community necessary for implementation.]

RECEIVED

AUG 28 2002

LINCOLN CITY/LANCASTER COUNTY PLANNING DEPARTMENT

cc: Planning Commission
Marvin Krout, Stephen Henrichsen
Allan Abbott, Steve Masters

CHANGE OF ZONE NO. 3366
MISCELLANEOUS NO. 02005
(Cont'd Public Hearing: 9/18/02)

Frank C. Elias
2610 Jane Lane
Lincoln NE 68512

August 25, 2002

Letter to the Editor
Lincoln Journal Star
P.O. Box 81609
Lincoln, NE 68501-1609

Dear Sir:

It is quite clear that Ms. Elaine Connelly, in her "Letter to the Editor" of August 23rd, did not understand the hard facts of Marty Fortney's letter of August 15th. Elaine's statement that "she is tired of paying for the developments" is wrong. It is an established fact that the developers pay for all the streets, sewers, water, etc. in the developments. I believe it is true that all of us pay for extensions of arterials, etc. to the developments. However, the policies of certain neighborhood groups, and by extension to the city. of restricting growth to the East into the Stephens Creek watershed, forced the present developments to the south. These policies have now changed, but in the meantime, large acreages have grown up, making typical subdivision development more difficult in the East.

I was born and raised in Lincoln and served in WW II. After living and working in places all over the country, I came back to Lincoln 25 years ago. When WW II started, Lincoln was a small city of 80,000 or so. It is now 225,000. Where do they believe these extra 145,000 should live. Should the city have built walls and refused entry to them?

Yesterday they were called neighborhoods, now they are referred to as subdivisions. It is relatively easy to determine the age of the neighborhoods and subdivisions by driving around the city and counting the number of garages attached to the houses. The oldest had no garages, then the next single car detached, then came the single car attached. leading to the two-car garages. Now they have three-car garages. This reflects the desire of everyone wanting a set of wheels. My immediate neighborhood has three and four teenagers, which leads to our street being blocked by their cars. .

It has been said that the construction industry, after agriculture, is our largest industry. It is also obvious that the government controls the economy, through the adjustment of interest rates. Since housing is approximately forty percent of the construction industry, it is readily apparent why interest rates have a rapid effect on the economy. There is no question that the desire of most individuals to own and drive an automobile has contributed to the so-called urban sprawl. There is no room for them in the older neighborhoods.

Lincoln is not unique in this regard. Every city nation-wide, of any consequence, has experienced this phenomenon. After all, the same 1940 census for the USA was, I believe, around 133 million. Today it is about 260 million. I repeat, where do the people who "have theirs" believe these people should go?

In conclusion, I agree completely with Marty Fortney's assessment. I do not have the expertise to determine the exact effect, but it is elementary, that any additional costs, just like interest rates, will slow down construction, which will have a significant effect on the economy.

I an opposed to so-called impact fees.

Sincerely,

Frank C. Elias

Frank C. Elias

Copies to: Mayor Wesely
City Council
Planning Commission

CZ.3366
MISC.02005

Home Builders Association of Lincoln

6100 S. 58th Street, Suite C
Lincoln, NE 68516
Phone: 423-4225 * Fax 423-4251 * E-mail: hbalincoln@aol.com

IMPACT FEE POSITION STATEMENT

August 30, 2002

The Home Builders Association of Lincoln does not support the proposal to implement impact fees as presented by Mayor Wesely on August 26, 2002. The mayor is quoted as saying that his proposal has been agreeable to some developers and real estate agents. However, it must be noted that the impact fee, as proposed, would not be assessed to developers. The impact fee for residential construction, under the Wesely plan, would be assessed to builders or the homeowner taking out the building permit.

Assessing an impact fee of $2,500 at the time of building permit will place a real burden on builders and homeowners. It will cause problems with financing and appraising property.

The current practice of negotiating between developers and the City of Lincoln has its flaws. It is a slow, inefficient process at best. However, adding to this cumbersome process of negotiations by assessing the builder/homeowner instead of the developer is not the answer.

With the exception of an impact fee on builders/homeowners, the mayor's proposal to alleviate the $90 million backlog of street projects has merit. Water and wastewater bonds and revising gas tax and storm water statutes need to be addressed as quickly as possible. Once these proposals are developed and enacted, a streamlined method of accurately assessing a "fair share" to the developer, not the builder, should be implemented. It's common sense that you frame the house before you hang the pictures on the wall.

Our association opposes an impact fee on new residential, commercial and retail properties. Lincoln's economy would suffer from this tax on growth. We strongly believe that growth pays for itself. We will continue to assist in developing a workable solution to this challenge.

The Home Builders Association of Lincoln has stood for affordable housing since 1951. Our members are citizens of Lincoln with a strong commitment to building and remodeling homes for current residents and those who are new to our wonderful city. The Home Builders Association of Lincoln does not support an impact fee at time of building permit.

CZ. 3366
MISC.02005

Jean L Walker
09/06/2002 02:17 PM

To: "Hersch, Alan" <alan.hersch@aquila.com>
cc: jcjc@navix.net, sduvall@neded.org, pnewman1@alltel.net, schwinn.hm@prodigy.net, csteward1@unl.edu, giims@radiks.net, Jean L Walker/Notes@Notes, gdkrieser@yahoo.com, mbills@woodsbros.com, roger.larson@wellsfargo.com, Marvin S Krout/Notes@Notes, Stephen S Henrichsen/Notes@Notes, Allan L Abbott/Notes@Notes, Steve Masters/Notes@Notes, Mark D Bowen/Notes@Notes, Kent R Morgan/Notes@Notes, Ann Harrell/Notes@Notes, (bcc: Jean L Walker/Notes)
Subject: Re: FOR PLANNING COMMISSIONERS

Thank you for your comments. I will forward them to the Planning Commission and the staff working on the Infrastructure Financing Strategy.

--Jean Walker, Administrative Officer
City-County Planning Department
441-6365
"Hersch, Alan" <alan.hersch@aquila.com>

"Hersch, Alan" <alan.hersch@aquila.com>
09/06/2002 01:57 PM

To: "'plan@ci.lincoln.ne.us'" <plan@ci.lincoln.ne.us>
cc:
Subject: FOR PLANNING COMMISSIONERS

Please copy or forward this e-mail to each Planning Commissioner. Thanks you. If there is a problem or question, call me at 437-1865.
Alan Hersch

Planning Commissioners:

This morning I heard a very fine presentation (with handouts) from Ron Ecklund, CPA and LES board chair, about Lincoln's capability to issue revenue bonds for water, sewers and streets. Councilman Terry Werner was present at this informal HBAL breakfast.

Ron uses LES as a prime example of how to do it, when it comes to financing public infrastructure. They are a model Public Works should copy. I am convinced this can work for Lincoln.

Our Public Works Dept has the capability to unlock millions of dollars to repair and expand our streets, sewers and water system. PLEASE listen to Ron Ecklund, and consider issuing debt to help our great City upgrade and grow.

Thanks!

Alan Hersch

cc: Planning Commission
Mayor Wesely
Allan Abbott, Steve Masters
Marvin Krout, Stephen Henrichsen

CHANGE OF ZONE NO. 3366
MISCELLANEOUS NO. 02005
(Cont'd Public Hearing - 9/18/02)

REALTORS® ASSOCIATION OF LINCOLN

REALTOR®

RECEIVED
LINCOLN CITY/LANCASTER COUNTY PLANNING DEPARTMENT

September 9, 2002

Mr. Greg Schwinn, Chair
Planning Commission
555 South 10th Street
Lincoln, NE 68508

Dear Greg:

On September 5, the Board of Directors of the REALTORS® Association of Lincoln met and adopted the following position on Infrastructure Financing and Impact Fees based on the August 26, revised draft ordinance. The statement below updates our earlier position that was communicated during the June 26, Public Hearing and in a separate letter dated July 17.

1. The ordinance, as drafted on August 26, 2002 represents only a partial solution to the total infrastructure financing needs of the community. Until the conditions below are satisfied, the REALTORS® Association of Lincoln will continue its opposition to the impact fee ordinance now under consideration.

2. The Mayor's Office needs to provide a complete, detailed outline of the city administration's public commitment to utilize immediately, additional revenue sources including the maximum amount of revenue bonds available, general obligation bonds, water and sewer rate increases beyond the scheduled increases, wheel tax and gasoline tax.

3. If impact fees are a necessary part of an overall solution to the infrastructure finance problem, then a full examination and review of the cost of the current street design standards must be undertaken, to reduce the size of the financing "gap".

4. The use of impact fees collected by the city must be restricted to smaller, more direct benefit areas.

5. Other items that need to be changed in the draft ordinance include:
   a. Clarification of which developments will be exempt from impact fees;
   b. Amendments to assure that developments, which construct improvements (in effect loaning money to the city), will have all costs of such improvements reimbursed;
   c. Definition of the term "encumbered" as it relates to entitlement of refunds after 10 years;
   d. Clarification of how the city will keep track of who may be entitled to refunds of fees not spent within 10 years;
   e. Clarification of whether impact fees will be assessed against projects outside the city limits, and if not, inclusion of language to that effect.

8231 Beechwood Drive • Lincoln, NE 68510-2678 • Phone: 402/441-3620 • Fax: 402/441-3630
www.LincolnREALTORS.com

> The Mayor has privately consulted with a small group of developers and interested parties but has not made a public commitment to a detailed outline of the city administration's plan to utilize additional revenue sources.
>
> The association continues to be concerned since the Impact Fee Ordinance is only a partial solution and does not represent a comprehensive solution to Lincoln's infrastructure needs.
>
> The goal of the association is that an entire solution to Lincoln's infrastructure financing needs be mapped out in detail, and that this comprehensive solution creates a situation where infrastructure improvements keep pace with new neighborhood development.

On behalf of the REALTORS® Association of Lincoln, I want to thank you and the entire Planning Commission for the commitment of time and energy each of you has made to study this important issue.

Best regards,

Douglas H. Rotthaus
Executive Vice President
REALTORS® Association of Lincoln

c: Planning Commission Members
Lincoln City Council
Mayor Don Wesely

Planning Commission
Marvin Krout, Stephen Henrichsen
Allan Abbott, Steve Masters
Mayor Wesely

CHANGE OF ZONE NO. 3360
MISCELLANEOUS NO. 02005
(Cont'd Public Hearing: 9/18/02)

DO NOT REPLY to this- InterLinc <none@ci.lincoln.ne.us>

09/10/02 11:59 AM

To: General Council <council@ci.lincoln.ne.us>
cc:
Subject: InterLinc: Council Feedback

InterLinc: City Council Feedback for General Council

RECEIVED
SEP 1 2002
CITY COUNCIL OFFICE

Name: Doug Beran
Address: 9501 Eastview Road
City: Lincoln, NE 68505

Phone: 402.488.4214
Fax:
Email: dandb1@alltel.net

Comment or Question:
Dear City Council members:

Thank you for allowing me to share my opinion on several issues confronting city growth. If your time permits, I would appreciate a response from you.

1) For decades the infrastructure required because of development has been funded by our property taxes. Assuming you shift the burden from the tax base to impact fees, shouldn't property taxes decrease because we will no longer be using those proceeds to fund expansion? I have heard absolutely nothing about that. In fact, the mayor is now proposing new bonds, which together with no tax cuts and increased impact fees results in the worst-case scenario, taxes for bonds, existing taxes that fund development and now a new impact tax for development.

2) I am opposed to most, not all new taxes. I would be willing to pay additional taxes towards innovative, environmentally sound long-term solutions. For example, I am willing to pay additional taxes to build a 50 story building in downtown Lincoln that would serve as retail, commercial, parking and personal condominiums. This type of innovative solution would decrease sprawl and all the infrastructure requirements associated with it. Not to mention keep downtown alive. Or how about a ban on the construction of single level sprawling commercial centers that consume acres and acres of building and parking lot? In both cases, tax money could be used to offset the initial development expense but the city would save in the long run.

3) I strongly urge you to stop this perpetual problem of urban sprawl and road building. There are more efficient ways of growing and unfortunately you seem to be on the same path that got us in the situation we're in today. I implore you to not pave the cow-path with the implementation of your current plans that call for by-passes, 4 lane roads and on and on. Be creative and lead us away from this already proven ineffective model.

4) The bottom line is you need to create critical mass so that we can become more efficient. I don't see how your plan of building/expanding roads all over town increases critical mass that will lead to higher efficiencies.

Thank you very much,

Doug Beran

cc: Planning Commission
Marvin Krout, Stephen Henrichsen
Allan Abbott, Steve Masters
Mayor Wesely

CHANGE OF ZONE NO. 3366
MISCELLANEOUS NO. 02005
(Cont'd Public Hearing: 9/18/02)

SEP 2002
CITY COUNCIL
OFFICE

September 9, 2002

Lincoln Journal Star
Letter to the Editor
926 P Street
Lincoln, NE 68508

The Mayor's office and the City of Lincoln has asked the City Council for the authority to assess another new tax: the Impact Fee. The citizen's of Lincoln are able to voice their opinion through the election of city council representatives. The annual city budget prepared by the Mayor must go to the City Council for approval. It is only natural for government to continue looking for additional sources of revenues. We have a lid on property tax because the citizens would no longer accept annual increases in real estate taxes. Therefore the Mayor and City are attempting an end run to raise revenue without impacting real estate taxes.

It is always politically important to pit neighborhood against business, which will divide the voters and allow for the passage of additional taxes. Don't get caught up in the divisive process! All taxes are ultimately paid by the individual.

If the Mayor and City need to budget costs that might be funded by the Impact Fee, then budget those expenses and make your presentation to the City Council for inclusion in the budget. If additional funds are needed that require a vote of the citizens of Lincoln, then make the case for a bond issue and let the citizens express their right to vote.

The improvements needed for our city to grow and the required repairs to the infrastructure should be expenses shared by the entire city. An impact fee will never generate the revenue needed, but may certainly slow the growth of residences and businesses which will severely impact our city revenue. Why would a new business select Lincoln, that charges impact fees, over other communities that are recruiting new business, and do not charge impact fees.

Sincerely,

Robert L. Bryant

Robert L. Bryant, C.P.A.
(402) 486-1040

pc: Mayor
City Council

cc: Planning Commission
Mayor Wesely
Allan Abbott, Steve Masters
Marvin Krout, Stephen Henrichsen

CHANGE OF ZONE NO. 3366
MISCELLANEOUS NO. 02005
(cont'd public hearing 9/18/02)

Downtown Lincoln
ASSOCIATION

TO: LINCOLN CITY COUNCIL
LINCOLN-LANCASTER COUNTY PLANNING COMMISSION

FROM: POLLY MCMULLEN PMM

SUBJECT: IMPACT FEES

Attached for your information is a position statement adopted on September 10 by the DLA Executive Committee. Our position was developed with much though, discussion and input over recent months.

I will be contracting each of you personally in the near future about our position. Meanwhile, if you have any questions, feel free to contact me (434-6904) of DLA Chairman Charlie Meyer (434-1758).

CC: Charlie Meyer

1200 N Street, Suite 101
Lincoln, NE 68508
(402) 434-6900
FAX (402) 434-6907
www.downtownlincoln.org

DLA STATEMENT
ON INFRASTRUCTURE FINANCING
September 10, 2002

DLA commends Mayor Wesely for leadership in focusing the community on the important issues we must face regarding the funding of infrastructure to support continued growth. As stewards of downtown Lincoln and advocates for continued revitalization of older commercial areas of the city, including downtown and Antelope Valley, we thank Mayor Wesely and city staff for recognizing the unique redevelopment challenges faced by these areas in their most recent impact fee proposal.

The August 26, 2002 proposal addresses many of DLA's concerns in the city's earlier proposals and respects long-standing public policies which have sustained economic vitality in the core and older commercial areas of the city. Based on the August 26, 2002 proposal, the Downtown Lincoln Association:

1. **Supports the concept of impact fees as one component of an overall infrastructure financing strategy which is needed to ensure Lincoln's continued growth and economic vitality with the understanding that downtown and Antelope Valley will be subject to water, sewer and parks impact fees but excluded from arterial street impact fees and from use of arterial street impact fees in these areas.**

   As home to the State Capitol, University of Nebraska Lincoln main campus and numerous state attractions, downtown streets are utilized for many public purposes. Likewise, long-standing public policies have encouraged a concentration of activities and traffic in the downtown area.

2. **Supports the creation of a "working committee" to develop a comprehensive infrastructure financing strategy and business plan which includes a comprehensive review of potential revenue sources and projected expenditures, including but not limited to, impact fees to fund our continued growth.**

DLA requests representation on the working committee. We urge that the committee's charge include a review of public resources and financial incentives currently used to stimulate revitalization in Lincoln's older commercial areas as well as research of funding tools and redevelopment incentives used by other communities. We pledge our support and assistance in the effort. We believe that it is possible to identify additional tools and incentives which will enable Lincoln to maximize mixed-use redevelopment opportunities in downtown, Antelope Valley and older commercial areas for the benefit of our entire community.

cc: *Planning Commission*
Mayor Wesely
Allan Abbott, Steve Masters
Marvin Krout, Stephen Henrichsen

CHANGE OF ZONE NO. 3366
MISCELLANEOUS NO. 02005

"Bruce Kevil"
<Nhomebuilders@neb.rr.com>
09/11/2002 05:15 PM

To: <plan@ci.lincoln.ne.us>
cc:
Subject: Opposition to Impact Fees

Dear Mr. or Mrs. Commissioner:

I am asking you to oppose Imapct Fees for the following reasons.

Are Impact Fees Legal? Bill Austin, former City Attorney for the City of Lincoln, wrote a view point in the newspaper questioning the merit of having a divisive debate over impact fees without first having a definitive legal opinion as to whether the City of Lincoln can levy such fees.

The Nebraska Planning Handbook is a definitive resource for citizen and professional planners. It is to provide planning commission members … "easy-to-comprehend information concerning principals of community planning and the legal foundations of planning in the State of Nebraska." In chapter 10 page 16 the topic is Impact Fees and it reads "There are no provisions in Nebraska state statues that enable local governments to assess and collect impact fees."
The planning commission should not recommend the city proceed to levy impact fees until the legal cloud is resolved.

Will cascading consequences effect housing for families? Five years down the road when impact fees are $4,500 per home will the cost to provide needed streets and parks through impact fees verses the current method of paying off municipal bonds result in all Lincoln homes being more affordable, more expensive or about the same? There are cascading consequences for all homeowners in Lincoln associated with impact fees, not just for new homeowners.
1. The price of a new home will have risen by $4,500 as the impact fee is rolled into the purchase price of a new home. As a result our children and grandchildren will have to save longer for a down payment to buy their first "new home". Yet taxes to pay off bonds for municipal improvements do not become part of the purchase price of a home.
2. Appraisers advise that the impact fee gets filtered into the price of an existing home. Another result is our children and new immigrants who seek the "American Dream" in our city will also have to save longer to make a down payment to buy an existing home.
3. The valuation of all existing homes will increase providing an opportunity for increased property taxes to be collected by the city, county and schools on all homes. Increasing taxes to pay off municipal bonds for needed improvements will not raise the valuation of all housing and will not cause young families to significantly defer the purchase of their first home as impact fees would.

There are other tax consequences. Uncle Sam only provides a partial tax deduction for the resulting increase in mortgage interest from impact fees. Taxes for needed municipal improvements are fully deductible, not partially deductible like impact fees.

Impact fees are therefore a more expensive route for all of Lincoln's homes.

Does misrepresentation of information result in good decisions or just divisiveness? In the educational material about impact fees provided by city staff, the inference is that everyone else charges impact fees, including Omaha, so Lincoln should also, this is a case of comparing apples to oranges.

Identifying Collier County in Florida as an example that impact fees do not slow growth is a classic misrepresentation. Collier County contains the City of Naples, one of the richer communities in the United States; it is a misrepresentation indeed to imply that Lincoln, NE and Naples, FL are peer cities in any form or fashion, even relative to impact fees.

Likewise reporting that Omaha collects $2,709 in impact fees is another misrepresentation. New development in Omaha, both commercial and residential occurs outside of the Omaha city limits in SID's. This is different from Lincoln where it occurs inside the city limits. The sales and property tax base of Omaha is not enhanced from new development like the City of Lincoln's tax base is. In fact it may be five to seven years before such new residential and commercial developments (think Home Depot) are annexed into the City of Omaha and a benefit is realized. MUD is a regional utility serving the Omaha area which desires to extend it's water and sewer service concurrently with new development and not years later when a subdivision is annexed into the City of Omaha. This cost is determined and paid for based upon a per lot fee schedule. The SID taxes the property value of the new development to pay the fee. This comes to the new homeowner in the form of "property taxes" not in the form of an impact fee that is rolled into the purchase price of the home as has been represented. The same thing happens for parks. Consider the math, Lincoln's impact fee proposal provides additional funds for the city above and beyond the increased sales and property tax base they realize from new development, yet this is not the case in Omaha. Lincoln appears a tad more piggish in nature than Omaha as Omaha will not realize the benefits of an enhanced tax base for some years until new developments are annexed into the city. Therefore portraying Omaha as having an impact fee is a misrepresentation of the facts. Yet it has been presented as justification that Lincoln is entitled to impact fees also!

Many citizens have been misled by the Duncan Study to believe that their neighborhood has been treated unfairly due to inaccurate representations about the cost of growth and who pays for growth. This study did not include the credit side of the ledger, only the expense side. Omitted was the fact that developers pay exactions in the range of $1,100 to $1,800 per lot plus new construction generates additional income through sales taxes and property taxes. This misrepresentation has resulted in a divisive spirit between old and new neighborhoods instead of seeking a fair solution for all.

The impact fees debate has unnecessarily resulted in a divisive spirit due to misinformation, unresolved legal concerns still remain, and impact fees have cascading consequences that make housing more expensive for all homeowners in Lincoln. For these reasons the Home Builders of Lincoln and the Nebraska State Home Builders Association oppose the impact fee ordinance as presently proposed.

Sincerely,

Bruce Kevil
1236 Clearview Blvd
Lincoln, NE 68512

cc: Planning Commission
Mayor Wesely
Allan Abbott, Steve Masters
Marvin Krout, Stephen Henrichsen

CHANGE OF ZONE NO. 3366
MISCELLANEOUS NO. 02005
(Cont'd Public Hearing: 9/18/02)

"Scott Braly"
<sbraly2050@aol.com>

09/11/2002 08:23 PM

To: <plan@ci.lincoln.ne.us>
cc:
Subject: Opposition to Impact Fees

Dear Mr. or Mrs. Commissioner:

This is a vital city ,with good things going for. Please do not mess with whats not broke. This is a pandoras box!!!!!!!!!!!!!!!!!!!! Do not go there . Scott

Sincerely,

Scott Braly
5628 Saylor St
Lincoln, NE 68506

cc: Planning Commission
Mayor Wesely
Allan Abbott, Steve Masters
Marvin Krout, Stephen Henrichsen

CHANGE OF ZONE NO. 3366
MISCELLANEOUS NO. 02005
(Cont'd Public Hearing: 9/18/02)

"TOM HARDESTY"
<thardesty@wellmann inc.com>

09/12/2002 06:35 AM

To: <plan@ci.lincoln.ne.us>
cc:
Subject:

Dear Commissioners
As a small business owner in the construction trade I would like to voice my opposition to the proposed impact fees. I see it as tool that will slow the construction of new homes, commercial development and cause harm to the employment of my 23 employees. If we look at the construction industry in today's economy you hear constantly how it is the lone bright spot. Please do not pass this resolution and help slow down an already struggling economy, and given the current ag economy in our state I think you will find more and more of our out state young people looking to the trades as viable employment.
Thank you in advance for your vote of NO IMAPCT FEES.
Sincerely
Tom Hardesty (pres.)
Wellmann Heating and Air Inc.
Lincoln Ne.

IN OPPOSITION

cc: Planning Commission
Mayor Wesely
Allan Abbott, Steve Masters
~~Marvin Krout, Stephen Henrichsen~~

CHANGE OF ZONE NO. 3366
MISCELLANEOUS NO. 02005
(Cont'd Public Hearing: 9/18/02)

P.O. Box 22375
Lincoln, Nebraska 68542-2375

402-435-6772
1-800-726-5929
Fax 402-435-6776
Cellular (402) 432-3725

RECEIVED
SEP 12 2002
LINCOLN CITY/LANCASTER COUNTY PLANNING DEPARTMENT

September 10, 2002

Mr. Marvin Krout, Planning Director
Lincoln Planning Commission
555 South 10th St. Rm 2113
Lincoln, NE 68508

Dear Mr. Krout:

After reviewing the planning commission web site containing infrastructure financing facts and proposals, attending some town hall meetings and paying attention to informative articles in the newspaper concerning impact fees there are a few questions which stand out as the Planning Commission arrives at the point where they are to make a decision concerning impact fees.

Does Misrepresentation Of Information Result In Good Decisions Or Just Divisiveness? In the educational material compiled by the city staff about impact fees, the inference is that everyone else charges impact fees, including Omaha, so Lincoln should also. This is a case of comparing apples to oranges and a misrepresentation of information.

The highlighting and calling out of Collier County in Florida as an example that impact fees do not slow growth is a classic misrepresentation. Collier County contains the City of Naples, one of the richer communities in the United States; it is a misrepresentation indeed to imply that Lincoln, NE and Naples, FL are peer cities in any form or fashion relative to impact fees.

Likewise reporting that Omaha collects $2,709 in impact fees is another misrepresentation. New development in Omaha, both commercial and residential, occurs outside of the Omaha city limits in SID's. This is different from Lincoln where it occurs inside the city limits. The sales and property tax base of Omaha is not enhanced from new development like the City of Lincoln's tax base. In fact it may be five to seven years before such new residential and commercial developments *(think Home Depot)* are annexed into the City of Omaha and a benefit is realized. MUD is a regional utility serving the Omaha area which desires to extend it's water and sewer service concurrently with new development and not years later when a subdivision is annexed into the City of Omaha. This cost is paid for based upon a per lot fee schedule. The SID taxes the property value of the new development to pay the fee on the general obligation portion of its books. This cost comes to the new homeowner in the form of "property taxes" not in the form of an impact fee that is rolled into the purchase price of the home as has been represented. The same thing happens for parks and streets. Consider the math, Lincoln's impact fee proposal provides additional funds for the city above and beyond the increased sales and property tax base they realize from new development, yet this is not the case in Omaha. Lincoln therefore appears a tad more piggish in nature than Omaha as Omaha will not realize the benefits of an enhanced tax base for some years until new developments are annexed into the city. Portraying Omaha as having an impact fee is a misrepresentation of the facts. Yet it has been presented as justification that Lincoln is entitled too charge impact fees also!

Another misrepresentation occurs in the Duncan Study that fails to disclose that developers are presently paying exactions. Only in recent weeks has Allen Abbott reveléd that exactions are being paid that average $1,100 to $1,800 per new home. No effort was made to insure fairness in this debate by having Duncan include the credit side of the ledger that results from new development. The Duncan Study does not appear to credit exactions paid nor the increased sales taxes from the purchase of materials and increased property tax base as a result of new development. The purpose of the Duncan Study was to systematically compute the most costly figure possible to replace presently unused existing infrastructure capacity that was put in place to accommodate future growth. This proposed impact fee financing method means that a family who buys a new home will have the burden to pay for infrastructure cost a second time as it has been or is being paid for presently. Lincoln has been built on the philosophy that the current generation builds the infrastructure for the next to grow into. This impact fee proposal over turns this policy and treats citizens differently, old neighborhoods verses new neighborhoods.

Unfortunatly this misinformation about impact fees, the cost of growth and who pays has created a spirit of divisiveness between Lincoln neighborhoods instead of a desire to seek fair solutions for all.

Are Impact Fees Legal? Bill Austin's view point in the newspaper questioning the merit of having a divisive debate over impact fees without first having a definitive legal opinion as to whether the City of Lincoln can levy such fees is a red flag indeed. Bill's credentials as a former City Attorney for the City of Lincoln should give all decision makers reason to pause and reconsider the current path this issue is taking.

In March of this year the *Nebraska Planning Handbook* was published as a definitive resource for citizen and professional planners alike. The purpose of this handbook is to provide planning commission members ... "easy-to-comprehend information concerning principals of community planning and the legal foundations of planning in the State of Nebraska." In Chapter 10 page16 the topic is Impact Fees and the document reads "There are no provisions in Nebraska state statues that enable local governments to assess and collect impact fees."

Constitutional issues as too "rational nexus" and "proportional benefit" should also be carefully considered in the commissions deliberations. How can the City of Lincoln's counter offer truly pass a "proportional benefit test" when it proposes impact fees starting at $2,500 and raises them to $4,500 in five years after the Duncan Study reports growth really costs over $9,000 per residential lot. Strange indeed that negotiations as to what is "proportional benefit" now start at a number which is strikingly similar to the amount that is misrepresented as being paid in Omaha 45 miles away?

In the guide for new planning commission members titled *Welcome to the Commission* published by the Planning Commissioners Journal, page 24 deals with the subject of the "Law" it reads, "Planning is a structured process governed by legal principals, statues, and codes. A planning commission works with in the frame work of it's states enabling law, for this defines a commissioner's range of substantive duties and responsibilities...."

The planning commission is charged with the responsibility to steer a prudent course for the city. Does it make sense to put the cart before the horse and over look critical legal questions on this subject? The commission should not recommend the city proceed to levy impact fees until this legal cloud is resolved.

Growth Is Not A Good Thing? Through out this divisive dialog little has been said about growth being a bad thing. The "Fair Share Alliance", supporters for impact fees has taken a curious position, that is to say growth is good for downtown and possibly in their neighborhoods and therefore should be exempt from impact fees. Seems that everyone wants to see growth, but for their neighborhood only! The State of Nebraska and the City of Lincoln has made it public policy that growth is important for the vitality of our community by taking advantage of enabling legislation that allows the creation of Tax Increment Financing Districts. Seems that most agree that we need more people in Nebraska to help pay the tax bill but we just can't agree over where they should be allowed to live. Clearly advocate's for impact fees don't believe growth is a bad thing, rather they do believe economic engineering by cities is "fair" so one neighborhood ends up being artificially more expensive than another.

How Will Housing For Families Change? Five years down the road when impact fees are $4,500 per home will the cost to acquire needed streets and parks through impact fees verses the current method of paying off municipal bonds result in Lincoln homes being more expensive or more affordable? Are there cascading consequences for all homeowners in Lincoln?

The price of a new home will have risen by $4,500 as the impact fee is rolled into the purchase price of a new home where taxes to pay off bonds for needed municipal improvements do not become part of the purchase price of a home. Under the impact fee scheme our children and grandchildren will have to save longer for a down payment to buy their first "new home".

Appraisers also advise that the impact fee gets filtered into the price of an existing home. Another result is our children and new immigrants who seek the "American Dream" in the City of Lincoln will also have to save longer to make a down payment to buy an existing home just like they would if they were buying a new home.

This also means the valuation of all existing homes will increase providing an opportunity for increased property taxes to be collected by the city, county and schools on all homes, not on just new homes.

Increasing taxes to pay off bonds for needed municipal improvements will not result in raising the valuation of all housing and does not cause young families to significantly defer the purchase of their first home as impact fees would.

There are other tax consequences. About 80% of the impact fee will be financed by the home mortgage so that portion of the mortgage interest from the impact fee is tax deductible at the family's respective income tax rate. Uncle Sam therefore only provides a small tax deduction for the resulting impact fee. How does that compare too taxes which pay off bonds for needed municipal improvements? These taxes are fully deductible, not partially deductible like impact fees. Impact fees are therefore the more expensive route for all of Lincoln's homes.

At the end of the day, the impact fee debate has unnecessarily resulted in a divisive spirit due to misinformation, unresolved legal concerns still remain, and impact fees have cascading consequences that make housing more expensive for all homeowners in Lincoln. For these reasons the Nebraska State Home Builders Association requests to be entered in the record as opposing the impact fee ordinance as presently proposed.

Sincerely,

G. Bruce Kevil
Executive Vice President

CC: Steve Smithberg, NSHBA President
Marty Fortney, HBAL President
Nadine Condello, HBAL EO
Mark Hunzeker
Presidents of MOBA, CHBA, HBAN,
CeNeHBA, WCeNeHBA & NPHBA

Planning Commission
Marvin Krout, Stephen Henrichsen
Allan Abbott, Steve Masters
Mayor Wesely

CHANGE OF ZONE NO. 3366
MISCELLANEOUS NO. 02005
(Cont'd Public Hearing: 9/18/02)

RECEIVED
SEP 12 2002
CITY COUNCIL
OFFICE

CHUCK SCHMIDT CONSTRUCTION, INC.
RURAL ROUTE I - BOX 15 A - DAVEY, NE - 68336
Phone 402-477-0555 Fax 402-785-3852

September 11, 2002

City Council
555 S 10th Street
Lincoln, NE 68508

We are writing to express our concern over the impact fees now being considered here in Lincoln.

Impact fees represent an easy and quick way to generate money to address a shortfall of funds to provide improvements to existing deficiencies in Lincoln. We feel strongly that this also represents unfair and discriminatory taxation.

Lincoln has a backlog of street, and sewer and water improvements that need to be funded. These needed improvements have been accumulating for the last 20 years **without** a City plan or adequate funding source to address this financial burden. New growth has not taken money away from the City to take care of maintenance. Plain and simple maintenance has not been a priority in Lincoln for a long time and now that the backlog of projects is enormous, the knee jerk response is to take advantage of a segment of society that cannot represent themselves in the debate.

Impact fees on new construction will have many negative outcomes to growth in Lincoln that will affect our economy. As Mayor, city planners and council members you are already aware of the many negative ramifications such as:

- Increase valuations of all real estate,
- The average price of a home will be higher
- Rents for commercial and apartment space will go up
- The total amount of construction will decline (residential, commercial, and industrial).
- Employment related to construction will also decline with reduced wages and spending
- Loss of sales and property tax revenue.

Impact fees in other cities have been associated with many problems down the road as it is too easy to assess higher amounts as time goes on and because there has been no mechanisms in place to make the city governments responsible and accountable to use the fees as intended.

To list a few concerns:

1. There is not any system in place to insure that money from impact fees would be used to clear the backlog of city improvements.

2. There is no cap on the amount of that could be assessed with impact fees.

3. There is no mechanism in place that requires street construction funds to be used **only** for street construction. This money should not be used for non-street capital improvements such as baseball and parking garages. This applies to other taxes and funds as well.

4. There are no regulations proposed with the impact fees to assure that assessments **cannot** be negotiated to a lower fee by the City as it deems fit should a large developer or new business want to locate in Lincoln.

5. Impact fees pit developers against builders and older neighborhoods against new. This division sets up a climate of "let the other guy pay" and starts a downward spiral of disunity, hard feelings and mistrust. This mentality will not keep our community strong as it always has been in the past.

Many of the costs associated with new growth are already paid by the homeowner in lot costs. If "new growth should pay for itself" with regards to public streets and utilities then should not established neighborhoods pay for their own repairs and replacement costs of public streets and utilities? With impact fees new construction is asked to pay for "new growth" and maintenance. Impact fees asks a few to pay for the benefits of many! The number of payers into this unfair and inequitable tax is further reduced if waivers are enacted that exempt segments such low income housing.

Public utilities and streets are used by all citizens and benefit the entire city so it is reasonable to expect the maintenance of these resources to be paid by all the citizens in the community. The Home Builders Association of Lincoln has offered some alternative solutions that we hope will be considered.

We can come together to solve this with solutions that allow everyone to contribute and be responsible for what is good for the entire city. Impact fees are the easy way out but like most things, the easy way is not always the best way to solve a problem. We look to your leadership to pull us together as one community!

Marilyn Schmidt
Chuck Schmidt

Chuck & Marilyn Schmidt
Chuck Schmidt Construction

IN SUPPORT

cc: *Planning Commission*
Mayor Wesely
Allan Abbott, Steve Masters
Marvin Krout, Stephen Henrichsen

RECEIVED
SEP 11 2002
LINCOLN CITY/LANCASTER COUNTY
PLANNING DEPARTMENT

CHANGE OF ZONE NO. 3366
MISCELLANEOUS NO. 02005
(Cont'd Public Hearing: 9/18/02)

Sam Whitworth
1041 Eastridge Drive
Lincoln, NE 68510

Mr. Steve Henrichsen
Planning Department
555 S. 10th Street
Lincoln, NE 68501

September 10, 2002

Dear Mr. Henrichsen,

As acting treasurer of the Eastridge Neighborhood Association, I would like to pass on to you the enclosed statement in support of the City's infrastructure financing system.

This issue was brought to our attention on April 30, when Steve Masters of the Public Works Department was asked to give a short presentation on the projected deficit for financing new development at one of our monthly meetings.

An interim board of the Eastridge Neighborhood Association has been meeting monthly since October of 2001 until a new board is elected. Since this group is an interim board, they do not have the authority to act for the neighborhood as a whole. They did, however, indicate they would like to take a vote at the Annual General Meeting on whether or not the Eastridge Neighborhood Association will take a stand on impact fees. At a later monthly meeting those attending decided to make their own individual opinions known in time for the Planning Commission vote.

Please pass this statement of support from members of the Eastridge Neighborhood Association on to the Planning Commission for their consideration.

Sincerely,

Sam Whitworth

Sam Whitworth, Treasurer
Eastridge Neighborhood Assoc.

Enclosure

EASTRIDGE NEIGHBORHOOD ASSOCIATION

The following members of the Eastridge Neighborhood Association support the infrastructure financing system proposed by the City of Lincoln designed to recover from developers all the public costs associated with new development. Infrastructure financing or impact fees should include, at a minimum, the capital costs for infrastructure of water, wastewater, roads, parks and trails of new development in or adjacent to the City of Lincoln. We encourage the passage of any ordinance or resolution necessary to authorize the levying of impact fees as outlined in the City of Lincoln Infrastructure Strategy, March 29, 2002 Draft Report.

Name	Address
Earl D. Jenkins	1020 ROBERT RD.
Janet L. Jenkins	1020 Robert Rd.
[illegible]	5901 Margo Dr.
Paul F. Roswell	5825 Meadowbrook Lane
Lucy Roswell	5825 Meadowbrook Lane
Jean Dunbar	5941 Sunrise Rd.
Carolyn Brandle	5921 Sunrise Rd.
James R. Brandle	5921 Sunrise Rd
Denise Way Laguna	6021 Sunrise Rd
Michael Laguna	6021 Sunrise Rd.
Hubert O. Paulson Jr.	422 Dale Dr.
Darrell D. Klein, Sr.	535 ROBERT ROAD

IN OPPOSITION

cc: Planning Commission
Mayor Wesely
Allan Abbott, Steve Masters
Marvin Krout
Stephen Henrichsen

CHANGE OF ZONE NO. 3366
MISCELLANEOUS NO. 02005
(Cont'd Public Hearing: 9/18/02

CHUCK SCHMIDT CONSTRUCTION, INC.

RURAL ROUTE I - BOX 15 A - DAVEY, NE - 68336
Phone 402-477-0555 Fax 402-785-3852

RECEIVED
SEP 12 2002
LINCOLN CITY/LANCASTER COUNTY PLANNING DEPARTMENT

September 11, 2002

Planning Commission
555 S. 10th Street
Lincoln, NE 68508

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- The average price of a home will be higher
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Marilyn Schmidt
Chuck Schmidt

Chuck & Marilyn Schmidt
Chuck Schmidt Construction

IN SUPPORT

CHANGE OF ZONE NO. 3366
MISCELALNEOUS NO. 02005
(Continued Public Hearing: 9/18/02)

cc: Planning Commission
Mayor Wesely, Allan Abbott, Steve Masters,
Marvin Krout, Stephen Henrichsen

pstruwe@unlnotes01.unl.edu
09/12/2002 02:01 PM

To: plan@ci.lincoln.ne.us
cc:
Subject: Impact Fees Misc. 02005 & Change of Zone 3366

As president of HAA this past year I am representing our membership to support Impact Fees.

Developers need to pay impact fees to cover infrastructure to their development and on their development (which they now do).
The impact fees still will not cover the cost of schools, parks, police and firemen & stations. These items will still be paid for by all of us for the whole city. As an older neighborhood, I feel our neighborhood should not help fund the new developments unless the developers shoulder their share.

The developers don't want impact fees. (They really don't think they can pass all the fees along to buyers and may have to pay some of the fees from their profits.) We think this will level out. Right now we are over built in apartments. So there is room for everyone if housing slows at the beginning.

We want impact fees installed to keep water rates and taxes lower for all residents. We don't think it is the new neighborhoods against the older neighborhoods. All people in all neighborhoods will pay these higher prices if impact fees are not put into place.

We also feel that developers negotiating what they pay for is not a fair way to distribute costs to the developers or the city. The biggest developers with the best negotiators (and highest priced lawyers) will pay the least while the smallest developers will pay the most as a percentage and the citizens of Lincoln have paid more than their fair share.

Hawley Area Association supports impact fees.

Peggy Struwe
Past President of Hawley Area Association
and present secretary

IN OPPOSITION

CHANGE OF ZONE NO. 3366
MISCELLANEOUS NO. 02005
(Cont'd Public Hearing: 9/18/02)

cc: Planning Commission
Mayor Wesely, Marvin Krout, Stephen Henrichsen, Allan Abbott, Steve Masters

"Dave Klein" <dklein@security1stbank.com>
09/12/2002 10:16 AM

To: <plan@ci.lincoln.ne.us>
cc:
Subject: Opposition to Impact Fees

Dear Mr. or Mrs. Commissioner:

I have been reading about the need and effectiveness of this fee. I do not see its merit. Sure the city wants and needs more money for infrastructure development. But it must not come at the cost of slowing our struggling economy. It needs to come through cuts in other areas. Cutting $1 from a budget puts $1 directly into the bottom line of any business. Adding $1 of revenue only adds a portion of the dollar to the bottom line, because of the expenses involved in getting that dollar. DO NOT PASS THIS IMPACT FEE !!

Sincerely,

Dave Klein
4240 S 49th St
Lincoln, NE 68506

IN OPPOSITION

cc: Planning Commission
Mayor Wesely
Allan Abbott, Steve Masters
Marvin Krout, Stephen Henrichsen

CHANGE OF ZONE NO. 3366
MISCELLANEOUS NO. 02005

RECEIVED

LINCOLN CITY/LANCASTER COUNTY PLANNING DEPARTMENT

Planning Commision

RETHINK IMPACT FEES

As the owner of a small business which is directly related to the building industry in Lincoln, I have great concern about the proposed **impact fee** on new construction. The growth of Lincoln has been good for us, and been good for any company or business in Lincoln. By increasing the amount of business a company does, we are able to hire new employees, have more product choices, make more sales and, consequently, pay more sales tax and put money back in Lincoln's economy.

Our business relocated and expanded this past year. Prior to making that decision, we had to review our costs for labor, material, etc, to be sure this move could be profitable. How can the city pass the **impact fee** without a more thorough look at the "true costs" not only for the developer and builder, but all the residents and homeowners of our home town.

Mayor Wesley is quoted as saying that his proposal has been agreeable to some developers and real estate agents. However it must be noted that the **impact fee**, as proposed, would **NOT** be assessed to developers. The **impact fee** for residential construction, under the Wesley plan, would be assessed to builders or the homeowner taking out the permit.

The **impact fee** on new construction will slow down growth. It will cost jobs and increase the assessed value of all property in Lincoln. Government makes up 22.3% of the jobs in Lincoln. Even government will be effected by the slow-down.

My family has made a strong commitment to Lincoln by building our business. We think the City of Lincoln should make a similar commitment to the future by finding other financial sources to help Lincoln grow. **MORE** homework should be done on this proposal prior to implementing a poorly thought out plan!!

Jim D. Crawford

Jim D. Crawford
Precast Products, Inc.
Phone
402-477-2255 Work
402-423-0297 Home

IN OPPOSITION

CHANGE OF ZONE NO. 3366
MISCELLANEOUS NO. 02005
(cont'd public hearing: 9/18/02

9/9/02

cc: Planning Commission
Mayor Wesely
Allan Abbott, Steve Masters, Marvin Krout, Stephen Henrichsen

RECEIVED
SEP 1 9 2002
LINCOLN CITY/LANCASTER COUNTY PLANNING DEPARTMENT

Lincoln Planning Commission Members

RE: IMPACT Fees!

I would like to express that impact fees will have a significant impact to make buying a new home much more expensive.

Yes, $2,500 increase in a home may not seem as much but in 4-7 years it will most likely be double in cost. This indeed will be an expensive item.

It will mostly make it much more difficult for my children to buy a home as this cost increase also gets passed into the price of existing homes.

Please vote no.

Thank you,

Bruce [illegible]

CHANGE OF ZONE NO. 3366
MISCELLANEOUS NO. 02005

RECEIVED
SEP 13 2002
LINCOLN CITY/LANCASTER COUNTY PLANNING DEPARTMENT

CDS, Inc.
Custom Drywall Systems, Inc.

IN OPPOSITION

cc: Planning Commission
Mayor Wesely
Allan Abbott, Steve Masters
Marvin Krout, Stephen Henrichsen

September 12, 2002

Dear, Planning Commission,

As the owner of a drywall company that does residential & commercial work in the city of Lincoln, I am very much against the proposed impact fees. New neighborhoods do not cost the city, they are part of growth which makes the city stronger & larger so that more people & more businesses pay their fair share. It isn't the developers that cost the city. Why should we as a city penalize the home building industry & in turn also hurt our commercial construction? Even if the developers were making a lot of money, this isn't going to come out of their pocket. The ultimate Home Buyer is the one who is going to pay for this.

Let's keep our city strong & working together & living together as one community. Please vote against any impact fees.

Sincerely,

Duane R. Helmink
President

3321 S. 6th St., P.O. Box 22338 Lincoln NE 68542-2238, Phone (402)421-1451 Fax (402)421-8201

IN OPPOSITION
cc: Planning Commission
Mayor Wesely
Allan Abbott, Steve Masters
Marvin Krout, Stephen Henrichsen

CHANGE OF ZONE NO. 3366
MISCELLANEOUS NO. 02005

EAGLE NURSERY

EAGLE NURSERY, LLC
910 So. 214th St (Highway 43)
Eagle, Nebraska 68347
(402) 781-9337

September 10, 2002

RECEIVED
SEP 13 2002
LINCOLN CITY/LANCASTER COUNTY PLANNING DEPARTMENT

Planning Commission
County/City Building
555 South 10th Street
Lincoln, NE 68508

Dear Good People:

Stacie and I wish to plead our case against Impact Fees.

As we understand them, they will increase the cost of new family dwellings by $4500-9000 as a result of builders and contractors passing these expenses along to their customers. This cost will make home ownership prohibitive to some. The cost for commercial development is even greater and could adversely affect economic growth in our community.

We have recently begun our business as growers and providers of landscape materials for these new developments. If a prospective home or business buyer must spend all these extra dollars just to move into their new quarters, this leaves markedly less for purchase of badly needed plants for their street trees and yards. The impact on our business could be devastating.

Might we suggest the cost of public streets, sewer and water lines, storm sewers, sidewalks, streetlights, and other utilities be shared by all in the community either through increased wheel taxes, utility taxes, and even bond issues when needed to support these causes. It seems unfair to tax the new home or business owner who will generate many more tax dollars over the years in property and other business-related taxes. It seems short sighted to pass an oppressive tax ("Fees") that discourages growth and could, in the long run, result in decreasing the tax base.

Thank you for your attention to this serious and urgent matter. Your understanding and responses are most appreciated.

Yours truly,

Bob and Stacie Bleicher
Co-Owners, Eagle Nursery, LLC

IN OPPOSITION

cc: Planning Commission
Mayor Wesely
Allan Abbott, Steve Masters
Marvin Krout, Stephen Henrichsen

CHANGE OF ZONE NO. 3366
MISCELLANEOUS NO. 02005

9-9-02
Frypack Fee
9-20-02 - Paulsen
ES
Hamilton Egan

IN OPPOSITION

cc: Planning Commission
Mayor Wesely
Allan Abbott, Steve Masters
Marvin Krout, Stephen Henrichsen

CHANGE OF ZONE NO. 3366
MISCELLANEOUS NO. 02005

6/9/02

Sir

I am totally against the project [illegible].

Stop it [illegible]

[illegible]

[illegible]

IN OPPOSITION

Planning Commission
555 S. 10th St
Lincoln NE 68508

CHANGE OF ZONE NO. 3366
MISCELLANEOUS NO. 02005

cc: Planning Commission
Mayor Wesely
Allan Abbott, Steve Masters
Marvin Krout, Stephen Henrichsen

Dear Commission,

If you truly want to plan growth for our fair city, please know that by PASSING the impact fee, you will STOP the growth considerably.

Certainly, you must know this and I ask that you look at other means to accomplish your goals.

I appreciate you reading this.

Sincerely,

Kay Wonderich
4215 S. 20th St
Lincoln NE 68502

cc: Planning Commission
Marvin Krout, Stephen Henrichsen
Allan Abbott, Steve Masters
Mayor Wesely

CHANGE OF ZONE NO. 3366
MISCELLANEOUS NO. 02005
(Cont'd Public Hearing: 9/18/02)

"Corrie Kielty"
<ckielty@neb.rr.com>
09/15/2002 09:04 PM

To: <plan@ci.lincoln.ne.us>
cc:
Subject: Impact Fees

The Hawley Area Neighborhood Association would like to reiterate our support for Impact Fees to recoup the costs of new water and sewer, arterial streets and neighborhood park infrastructure costs for new development in the City of Lincoln.
Following you will find the resolution that our board passed two months ago.
Corrie Kielty, President
Hawley Area Neigborhood Association
637 North 24th Street
Lincoln, NE 68503
476-7791

Resolution

The Hawley Area Neigbhorhood Association supports the general concept of instituting an infrastructure finanancing system designed to recover from developers all, or a substantial portion of, the public costs associated with developing the public infrastructure (water and wastewater, roads, and parks and trails) required to support new development and/or construction in or immediately adjacent to, the City of Lincoln. Consisteny with this objective, Hawley Area Neighborhood Association supports the passage of the ordinances and resolutions necessary to authorize the levying of infrastructure impact fees, in conjunction with the issuance of building permits for new development, as outlined in the "City of Lincoln Infrastructure Financing Strategy March 19 2002 Draft Report."

Kielty, Corrie.vcf

Planning Commission
Marvin Krout, Stephen Henrichsen
Allan Abbott, Steve Masters
Mayor Wesely

CHANGE OF ZONE NO. 3366
MISCELLANEOUS NO. 02005
(Cont'd Public Hearing: 9/18/02)

Remalone36@aol.com
09/15/2002 10:55 PM

To: plan@ci.lincoln.ne.us
cc:
Subject: Letter of support for Impact Fees - Unable to attend Planning Comm. meeting

I am unable to attend the upcoming Planning Commission Meeting. I would like to once again stress that I, as well as the Clinton Neighborhood Organization fully support the proposal of Impact Fees.
Thank you ,,Renee Malone

CLINTON NEIGHBORHOOD ORGANIZATION
Renee Malone
1408 N 26th St
Lincoln, Ne 68503
402-438-2777
Remalone36@aol.com

September 15, 2002

Dear Planning Commission member,
I am writing you in behalf of the Clinton Neighborhood Organization. We fully support the City's proposed Infrastructure Financing Plan. A resolution was passed at our general meeting in May to support this . We believe that it is in the City's best interests to go forth with this plan to provide a more balanced approach to infrastructure financing. We feel that this is the only fair way to develop the outer edges of the city and still be able to maintain the infrastructure of the existing older neighborhoods.

We know many developers, builders and realtors may not be in support of this proposal, we understand their concerns. Yet, we must look at the concerns of all who will be involved in this. One of our main concerns is focused on our fixed income residents, such as retired elderly home owners. Without this Financing plan, those who are on fixed incomes may not be able to handle the added burden of increased water rates, and taxes that will occur if this does not pass. We must protect our older neighborhoods and the residents that reside here. We the citizens of Lincoln have been paying for this outside development for years, through our taxes, etc. We are very concerned about the financial shortfall that the city faces and will continue to face if this is not passed. It's time that the ones who are benefiting most from this pay t! heir "Fair Share". We understand that this proposed plan is looking at phasing in the Impact fees over a period of years. We understand this reasoning, yet let us not forget the longer the period of phase in, the more the City will still be facing financial shortfalls. In 10 years we are looking at a shortfall of over $280 million . The phase in period should not be over 3 years and "All Capital costs" be recovered and continue to be recovered by that time.
Once again let me stress the importance of this Infrastructure Plan, and how much the residents of the Clinton Neighborhood and other existing neighborhood support this. Currently most of the City's existing neighborhood leaders along with residents from their respective neighborhoods have been meeting together in a joint effort to form a united front to support these Impact Fees. We believe the residents of Lincoln should be heard as loud as the ones who are lobbying against this.

Thank you for your time

Renee Malone
President of the Clinton Neighborhood Organization

cc: **Planning Commission**
Marvin Krout, Stephen Henrichsen
Allan Abbott, Steve Masters
Mayor Wesely

CHANGE OF ZONE NO. 3366
MISCELLANEOUS NO. 02005
(Cont'd Public Hearing: 9/18/02)

"Christy Neighbors" <mneighbors1@email.msn.com>
09/16/2002 08:24 PM

To: <plan@ci.lincoln.ne.us>
cc:
Subject: Opposition to Impact Fees

Dear Mr. or Mrs. Commissioner:

I am writing for a few reasons. First, as an attorney, I do question whether the City of Lincoln has the authority to approve impact fees. While I cannot claim to have researched this issue, I cannot imagine that impact fees have not, over the years, been addressed by the City. If nothing legally has changed, then why this sudden urge to move forward at this time? If this issue is not resolved, you can count on a legal challenge and expending more City resources to fight that battle.

Second, the cost of housing in Lincoln is, in my opinion, outrageous. The average price of a new single family home, 3 bdrm, 2 bath, build by a reputable builder has to be in the neighborhood of $150,000 to $160,000. Tack on additional costs to this, even graduated over time, and you will find that it is the consumer who will suffer. The builders are not likely to cut their margins so, of course, the consumer will get less home for the money.

Third, I do not know whether this is the Planning Commission's concern or whether it should be addressed to the City Council. There will be an impact on the economy of Lincoln should these fees go into effect. I would be surprised if there isn't a slow in construction trade jobs and people are laid off. While Lincoln has already lost a number of blue collar jobs in recent months, the City should be concerned about this impact.

It is interesting to me that the Fair Share Alliance is so adamant that impact fees be implemented. While I can appreciate their point of view (I am a resident of an older neighborhood), I am also one of the first people to make my way into a new development to take advantage of the new shops, offices, etc., that the area has to offer. I am sure members of the Fair Share Alliance fall within that category as well. Should we charge a toll for those who live in older parts of Lincoln to gain entry to the new parts? After all, if I have to pay an additional $4,500 for my home, I am going to be standing on the corner stopping cars with my collection cup.

For the reasons cited above, I oppose the implementation of impact fees as the plan currently exists.

Sincerely,

Christy Neighbors
1220 N 79th St
Lincoln, NE 68505

cc: **Planning Commission**
Marvin Krout, Stephen Henrichsen
Allan Abbott, Steve Masters
Mayor Wesely

CHANGE OF ZONE NO. 3366
MISCELLANEOUS NO. 02005
(Cont'd Public Hearing: 9/18/02)

"Carol and John Brown" <carolserv@hotmail.com>

09/16/2002 10:38 PM

To: <plan@ci.lincoln.ne.us>
cc:
Subject: Impact Fees

Would you please pass along this information to each of the planning comisioners.
Thank You
Carol Brown

Dear Commisioners,
I recently was given a copy of an "Address to the Homebuilders Association" given by Mr. Phil Walker at their Sept 9th meeting. I was very concerned about the comments that Mr. Walker made about Impact Fees and the effects it had on Fort Collins so I decided to notify the Planning Department in Fort Collins and was given the following information.

Carol Brown -

Let me try to respond to Mr. Walker's allegation:

"Impact Fees had a devastating affect on Fort Collins."

Response: The situation is quite the opposite. The citizens of Fort Collins have set high standards and expectations of new growth. And, due to the collection of impact fees over time, the City has been able to financially meet these high standards with regard to purchase of new park lands, construction and widening of streets, and expansion of sewer and water plant facilities. The alternatives to impact fees are slim in number: sales tax collections alone are not sufficient to meet these needs; and, property tax increases are not popular by our citizens (they have remained virtually unchanged for the past 20 years).

"the city had taken full advantage of their license to adjust fees at the whims of the city council...."

Response: The fees are adjusted annually in response to detailed studies prepared by staff, typically involving the development industry in their calculation. Fee increases result from higher costs or higher community standards. There is always a lot of grumbling about increasing fees, but we rarely hear anyone effectively question their legal foundation or calculation.

"the Impact Fee on a single family home in Fort Collins is nearly $12,000. The fees on commercial and business operations are beyond belief."

A recent fee estimates for a single family home in Fort Collins is $20,535 (this includes a variety of impact fees, building permit fees, and administrative fees). A January , 2002 survey of 28 Northern Colorado communities indicate that 14 communities have higher fees than Fort Collins.

There are similiar fees for commercial development, although they vary tremendously depending upon use. There is no similar survey of other communities; although anecdotally, we have heard that we are toward the upper end of the communities with the highest commercial fees generally.

"As the costs of building new multi-family apartments went up (due to impact fees), the owners had to recover their costs somehow. The answer, of course, was higher rents."

Response: As costs go up, it has to be shared somewhere, although it is questionable whether all of this cost will be passed solely on to the consumer (renter). We have told that a part (maybe a big) part of the adjustment for higher costs comes in the form of lowering land costs. However, we do have good information on single family homes and our data indicates that the proportion of impact fees to average sales price has remained about the same over the past ten years of data collection. That is, in 1990, we estimate our fees to be approximately 7.8% of the total sales price; in 2001 it was estimate to be 7.9%, although during that time the average price of a home went from $118,000 to $250,000.

*The development community*s solidarity was shattered because of resentment of some builders getting a better deal from the city than others. Nearly always, this was the larger builders. They had the resources to lobby the city, go through the lengthy process for approval, and negotiate adjustments to their fees. *

Response: Mr. Walker seems to be confusing developers with builders, and plan review fees with impact fees. A developer buy tracts of large land, get a plan approved, installs infrastructure, and then sells buildable lots to builders. The City*s previous (pre-1996) Planned Unit Development (PUD) review and approval process was considered by some developers to be lengthy and expensive, and to therefore favor larger developers over smaller ones. The PUD process includes a relatively modest fee to cover staff time to review of the development. These review fees are sometimes negotiated. However, impact fees are charged on a per unit basis at the building permit stage, not the subdivision review stage. All builders, large or small, have always paid the same per unit impact fees.

The smaller builders were already in serious trouble because they had learned early that all these Impact Fees could not be financed in a construction loan. It had to come directly from their pockets.

Response: If a builder has enough notice of the impact fee going into effect or changing, they should not be personally affected by the fee. Regardless of their size, they should be able to take the fee into account as they negociate the price they pay for lots from the developer as well as the sales price of the house to the homebuyer. For instance, they can chose to pay less for the lot from the developer to off-set the cost of the fee, or increase the cost to the home buyer. Market conditions will determine which way it goes. The only time a builder could get caught is if the fee went into effect with no notice after they have purchased a lot and had negotiated the sales contract with the home buyer, but they had not yet pulled a permit. To avoid this problem, the City typically provides a long lead time and lots of public notice after a new fee has been approved before it goes into effect.

* Smaller builders began to go under or look for greener pastures. There were other places to build homes. On the margins of Fort Collins were half a dozen smaller towns with no impact fees and a hunger for the prosperity that growth would bring. They welcomed the Fort Collins builders with open arms. The first of these towns to receive the benefits of the flight of developers was Windsor. It was a small town of barely 3,000 people just ten miles from Fort Collins. Windsor had been largely unchanged for 50 years. Suddenly a building boom was underway. *

Response: Windsor has experienced recent growth for a variety of reasons. Land is less expensive, it has great access to I-25, it is centrally located between Fort Collins, Loveland and Greeley, and it has more relaxed engineering and design standards than Fort Collins and Loveland.

New businesses, particularly the bigger employers are not coming to town in the same numbers as before. Fort Collins sales tax base is eroding because less money is being spent in the community, and more is being spent in the outlying areas. Fort Collins finds itself on the verge of the most serious economic crisis since the grasshopper plagues in 1876

Response: Fort Collins* economy has finally begun to slow down, consistent with the national economic slowdown and the HP-Compaq merger related layoffs. However, our building boom continues, and our year to date permitting levels project a record number of permits to be issued this year, despite the recession. For additional information regarding Fort Collins* economic condition and it*s relative attractiveness to employers, I refer you to the attached article from the Wall Street Journal published June 6, 2001.

Hope you find this information helpful.

Tom Vosburg, CPES Policy and Budget Manager
CPES Administration

281 N. College Ave
Fort Collins CO 80522
970 221 6224
tvosburg@fcgov.com

FORT COLLINS SPOTLIGHTED ON THE COVER OF THE WALL STREET JOURNAL. Read the article...

The Rockies emerge as a pocket of prosperity in slowing economy
The Wall Street Journal
by Robert Gavin
June 6, 2001 <?xml:namespace prefix = o ns = "urn:schemas-microsoft-com:office:office" />
IN MARCH 1999, just two months after it was founded in Davenport, Iowa, Limelight Technologies Inc. packed up and moved to Fort Collins. "We saw it as a place where we could retain software engineers," says Limelight Chief Executive John Brady. "It's sunny almost every day, there's not much traffic, and the mountains are close enough that I go up to Aspen all the time."

And when San Diego-based Applied Micro Circuits Corp. acquired Fort Collins telecommunications and data storage start-up Silutia Inc. last fall, Silutia executives made sure any talk of leaving Fort Collins was off the table. That "would have been a deal-breaker," says Randy Zwetzig, Silutia's former chief executive. "We have beautiful summers, fairly mild winters, a strong education system, parks and safe neighborhoods."

WINNING THE TROPHIES

What's remarkable about Fort Collins is not all it has done to lure companies; it's all it hasn't done. The city has sat out pricey bidding wars for corporate trophies, instead spending its money on schools, parks and other local services. The result: Fort Collins has landed plenty of corporate trophies anyway — and is in the middle of an uncharacteristic American boom.

During a time of economic slowdown across the country, the Rocky Mountain region is emerging as an island of surprising prosperity and growth. When companies and workers fled California during its deep recession of the early 1990s, Rocky Mountain communities offered low costs, an emerging technology sector and an alluring lifestyle. Since then, highly skilled and educated people have been flocking to emerging tech centers such as Boulder, Boise, and Provo, Utah, making Colorado, Idaho and Utah among the five fastest-growing states in the country.

Economy.Com, a West Chester, Pa., forecasting firm, predicts employment in the eight-state region will grow at four times the national average this year, and significantly faster than almost every other part of the country. Only the West South Central region, which is forecast to add jobs at a 2% rate, is expected to approach the Rockies' projected 2.3% growth.

Fort Collins, a midsize city of 118,000 tucked into the foothills, is the perfect poster child for why this Rocky Mountain high is expected to continue.

While manufacturing layoffs and office vacancies climb elsewhere in the country, unemployment in Fort Collins recently dipped to 2.5%. Home sales are running at a near record pace. Retail sales were up 11.3% in the first quarter, compared with 1.3% nationally. Building permits for single-family homes rose 55%, compared with 3.1% nationally.

The growth is bringing some strain: Residents now complain that housing prices are edging up, chain stores are sprouting along once picturesque roads and commutes are getting longer. But these growing pains have yet to stop the flow of people into Fort Collins. For the past decade, cities across the country pursued an expensive strategy to lure big companies: lavish tax breaks. Now, many of these communities face a double hit: Their corporate trophies, while continuing to pay heavily slashed tax bills, are also laying off workers to cut costs.

Fort Collins offers a different story. The city has steered clear of costly financial incentives to lure new companies. Instead, it spent money on the infrastructure that business needs to grow and the amenities that make the city an attractive place to come, stay and invest. "It's the people who want to live here who drive the economy," says Frank Bruno, assistant city manager for economic development. Adds Ann Azari, the city's former mayor: "The whole idea is we want to help companies that have chosen to come to us, instead of going smokestack chasing."

In 1995, Hyundai Electronics Industries Co., the South Korean company that recently changed its name to Hynix Semiconductor Inc., sought $30 million in tax breaks in return for building a $1.3 billion semiconductor plant that would employ 1,000. That request represented 10% of the city's annual budget.

The City Council rejected the big incentive package on a 4-3 vote during a marathon meeting that lasted until 3 a.m. Had the city acquiesced to Hyundai, Mr. Bruno says in retrospect, it would not have had the money to meet the service demands of a population that grew 35% in the '90s. That, he adds, would have undermined one of Fort Collins' economic pillars: "Keeping everything in balance."

"It was tempting, but it would have been wrong as heck," says Ms. Azari, a tax-break supporter who says she later saw the error of her ways. Hyundai built its plant in Eugene, Ore., where it received about $40 million in tax breaks and employs about 850.

In Fort Collins, few people are mourning Hyundai. They don't need to: Hewlett-Packard Co. and Anheuser-Busch Cos. still are moving ahead with planned expansions in Fort Collins. The federal government is building a $65 million campus where it will consolidate eight environmental and agricultural research agencies. Colorado State University, the city's biggest employer, is spinning off start-ups, while a locally based venture capital firm, Vista Ventures LLP, just put together a $20 million fund to help them.

Denver International Airport, while cursed by travelers because of its early baggage-handling snafus, was cheered in Fort Collins when it opened in 1995 because it provided world-wide airline connections an hour's drive south. The state-funded Colorado State University, founded as an agricultural college, got a makeover to give itself a high-tech twist, luring away from Purdue University three electrical and computer engineers to set up a research lab. The university recently spun off companies such as biotech firm XY Inc., which has found a way for breeders to select the sex of livestock, and Optibrand LLC, which is developing a computerized livestock identification program.

The outbreak of foot-and-mouth disease in Europe has now brought Optibrand to the attention of investors, who see the livestock-tracking system as a way to prevent spread of the disease.

WATER DRAW

Even the city's water seems blessed. The pure run-off from mountain snows has been a boon to a half-dozen breweries and microbreweries that employ about 1,000. They range from Anheuser-Busch to New Belgium Brewing Co., which makes Belgian-style beer, to Odell Brewing Co., maker of English-style ales.

In 1989, the City Council decided to try to build on the city's natural appeal by adopting an economic-development plan that formally put in place its "balanced growth" policies. Ms. Azari, who was elected to the council that year, was one of the leaders in the effort to formulate and adopt the plan. The policy, in a nutshell: Fort Collins should rely on lifestyle issues to attract companies, not big incentives. "Our first interest is in the people and companies that want to come and stay here," Ms. Azari says.

City planners wanted to make sure Fort Collins wouldn't lose its open space, one of the town's big selling points. So in 1996, they adopted a master plan that calls for adding seven acres of parkland for every 1,000 new residents, and the City Council approved new development fees to pay for it.

Since 1992, the city has combined with the county to spend $46 million to acquire and preserve open space. It has invested millions more in revitalizing its historic downtown, which served as a model for Disneyland's "Main Street U.S.A." Today, the Fort Collins version of main street bustles with shops, restaurants and art galleries.

Because Fort Collins devotes so few tax dollars to corporate tax breaks, it is easier for city officials to go to voters for money for schools. Voters consistently approve more money for teachers, programs and facilities, including a $175 million bond issue passed last fall. The city's school-tax rate is the ninth highest in Colorado.

Fort Collins's schools are among the best in the state, with students consistently scoring above state and national averages on the SATs. In 2000, the city's students averaged 1102 on their SAT scores, while Colorado students averaged 1071 and students nationwide averaged 1019.

Managing the growth is getting hard. Gas stations, fast-food restaurants and chain stores sprawl along wide boulevards. Traffic is getting worse. Larry Kendall, who moved here from Kansas in 1973 and is chairman of Group Inc., a local real-estate brokerage, says Fort Collins has quickly changed from a "five- or 10-minute town" — that is, you could get to almost anywhere in five to 10 minutes — to a "15-minute town."

Housing prices, long a major attraction, have more than doubled in a decade, to a median of more than $180,000. The National Association of Homebuilders recently ranked housing in the Fort Collins area among the nation's least affordable, 149th out of 180 metropolitan areas. A decade ago, the community ranked 40th in affordability.

REGIONAL SLOWDOWN

Overall, the Rocky Mountain region is seeing a slowdown. The region's projected job-growth rate, at 2.3% this year, represents a significant slowing from last year's 3.6% rate.

Telecommunications and technology companies have cut thousands of jobs in recent months. In April, Fort Collins-based Advanced Energy Industries Inc., which manufactures components for computer chipmakers, said it would cut about 150 jobs, or 10% of its work force.

But people keep coming. Cathy Kawakami is among the latest wave of Californians. Ms. Kawakami, director of investor relations at Advanced Energy Industries, says the traffic and cost of living in the San Francisco Bay area had become too much. She faced 2 1/2-hour commutes. What's more, she says, the 1,000-square-foot home she shared with her husband in Walnut Creek, Calif., sucked up every cent they had.

The Kawakamis moved to Fort Collins last July. Ms. Kawakami remembers the glee she felt when a real-estate agent showed her houses. At every stop, she thought, "We can afford it, it's three times bigger than what we have, and there's no traffic."

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My next step is to notify Cary, N.C. to see if the letter to the editor in today's Journal Star by Mr.Authur Robertson has any merit to it either.

Carol Brown
Landon's Neighborhood
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cc: Planning Commission
Marvin Krout, Stephen Henrichsen
Allan Abbott, Steve Masters
Mayor Wesely

CHANGE OF ZONE NO. 3366
MISCELLANEOUS NO. 02005
(Cont'd Public Hearing: 9/18/02)

"Logan Ireland" <loganireland@alltel.net>
09/16/2002 08:51 AM

To: <plan@ci.lincoln.ne.us>
cc:
Subject: Opposition to Impact Fees

Dear Mr. or Mrs. Commissioner:

On behalf of the nine employees of White Electric, we oppose impact fees and know they will have a negative impact on our local economy and our business.

Sincerely,

Logan Ireland
Manager
White Electric Supply Co
Po Box 83007
Lincoln, NE 68501

cc: Planning Commission
Marvin Krout, Stephen Henrichsen
Allan Abbott, Steve Masters
Mayor Wesely

CHANGE OF ZONE NO. 3366
MISCELLANEOUS NO. 02005
(Cont'd Public Hearing: 9/18/02)

"Tom Gessner" <tom@welcomehome sinc.com>
09/16/2002 09:06 AM

To: <plan@ci.lincoln.ne.us>
cc:
Subject: Strong Opposition to Impact Fees

Dear Commissioner's:

Impact fee's will have a devistating effect on the Lincoln construction industry - and in turn - on the Realestate market in Lincoln.

Will cascading consequences effect housing for families? Five years down the road when impact fees are $4,500 per home will the cost to provide needed streets and parks through impact fees verses the current method of paying off municipal bonds result in all Lincoln homes being more affordable, more expensive or about the same? There are cascading consequences for all homeowners in Lincoln associated with impact fees, not just for new homeowners.
A. The price of a new home will have risen by $4,500 as the impact fee is rolled into the purchase price of a-new home. As a result our children and grandchildren will have to save longer for a down payment to buy their first "new home". Yet taxes to pay off bonds for municipal improvements do not become part of the purchase price of a home.
B. Appraisers advise that the impact fee gets filtered into the price of an existing home. Another result is our children and new immigrants who seek the "American Dream" in our city will also have to save longer to make a down payment to buy an existing home.
C. The valuation of all existing homes will increase providing an opportunity for increased property taxes to be collected by the city, county and schools on all homes. Increasing taxes to pay off municipal bonds for needed improvements will not raise the valuation of all housing and will not cause young families to significantly defer the purchase of their first home as impact fees would.
There are other tax consequences. Uncle Sam only provides a partial tax deduction for the resulting increase in mortgage interest from impact fees. Taxes for needed municipal improvements are fully deductible, not partially deductible like impact fees.
Impact fees are therefore a more expensive route for all of Lincoln's homes.

I strongly oppose impact fee's for Lincoln.

Sincerely,

Tom Gessner
President
Welcome Homes, Inc.
7515 Whitlock Pl
Lincoln, NE 68516

cc: Planning Commission
Marvin Krout, Stephen Henrichsen
Allan Abbott, Steve Masters
Mayor Wesely

CHANGE OF ZONE NO. 3366
MISCELLANEOUS NO. 02005
(Cont'd Public Hearing: 9/18/02)

"Mike Goings"
<mike@goingscustomhomes.com>
09/16/2002 08:40 AM

To: <plan@ci.lincoln.ne.us>
cc:
Subject: Opposition to Impact Fees

Dear Mr. or Mrs. Commissioner:

Are Impact Fees Legal? Bill Austin, former City Attorney for the City of Lincoln, wrote a view point in the newspaper questioning the merit of having a divisive debate over impact fees without first having a definitive legal opinion as to whether the City of Lincoln can levy such fees.
The Nebraska Planning Handbook is a definitive resource for citizen and professional planners. It is to provide planning commission members "easy-to-comprehend information concerning principals of community planning and the legal foundations of planning in the State of Nebraska." In chapter 10 page 16 the topic is Impact Fees and it reads "There are no provisions in Nebraska state statues that enable local governments to assess and collect impact fees."
The planning commission should not recommend the city proceed to levy impact fees until the legal cloud is resolved.

2. Will cascading consequences effect housing for families? Five years down the road when impact fees are $4,500 per home will the cost to provide needed streets and parks through impact fees verses the current method of paying off municipal bonds result in all Lincoln homes being more affordable, more expensive or about the same? There are cascading consequences for all homeowners in Lincoln associated with impact fees, not just for new homeowners.
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Impact fees are therefore a more expensive route for all of Lincoln's homes.